

**ANNUAL CORPORATE GOVERNANCE REPORT**

**LISTED CORPORATIONS**

**ISSUER'S IDENTIFICATION DETAILS**

DATE OF FINANCIAL YEAR END: 12-31-2010

T.I.N.: A01011253

Trade Name:

GAMESA CORPORACIÓN TECNOLÓGICA, S.A.

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

**A OWNERSHIP STRUCTURE**

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

| Date of last modification | Share capital (€) | Number of shares | Number of voting rights |
|---------------------------|-------------------|------------------|-------------------------|
| 07-19-2010                | 41,770,668.89     | 245,709,817      | 245,709,817             |

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 |
|-------|------------------|-----------|-------------------------|--------------|
|       |                  |           |                         |              |

**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 |
|---|--------------------------------|--------------------------------------|--------------------------|
| NORGES BANK                                   | 7,605,895                      | 0                                    | 3.095                    |

**(\*) Through:**

| Name or trade name of direct holder of shares | Number of direct voting rights | % of total voting rights |
|---|--------------------------------|--------------------------|
|   |                                |                          |
|   |                                |                          |

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

| <b>Shareholder's name or trade name</b>       | <b>Date of operation</b> | <b>Description of operation</b>                    |
|---|--------------------------|--|
| CASA GRANDE DE CARTAGENA, S.L.<br>Unipersonal | 09/24/2010               | Reduced its shareholding under 3% reaching 0.000%  |
| IBERDROLA, S.A.                               | 10/15/2010               | Increased its shareholding from 14.975% to 15.057% |
| BLACKROCK, INC.                               | 10/25/2010               | Reduced its shareholding under 5% reaching 4.930%  |
| NORGES BANK                                   | 10/26/2010               | Increased its shareholding over 3% reaching 3.152% |
| BLACKROCK, INC.                               | 12/03/2010               | Reduced its shareholding under 3% reaching 2.401%  |
| NORGES BANK                                   | 12/07/2010               | Reduced its shareholding under 3% reaching 2.953%  |
| NORGES BANK                                   | 12/14/2010               | Increased its shareholding over 3% reaching 3.095% |

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

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

| <b>Name or trade name of the director</b> | <b>Number of direct voting rights</b> | <b>Number of indirect voting rights (*)</b> | <b>% of total voting rights</b> |
|---|---------------------------------------|---|---------------------------------|
| Iberdrola, S.A.                           | 48,106,512                            | 0   | 19.579 %                        |
| Arregui Ciarsolo, Juan Luis               | 0                                     | 133,015                                     | 0.054 %                         |
| Calvet Spinatsch, Jorge                   | 10,760                                | 0   | 0.004 %                         |
| Bergareche Busquet, Santiago              | 101                                   | 4,755                                       | 0.002 %                         |
| Velasco Gómez, Pedro                      | 1,507                                 | 0   | 0.001 %                         |
| Fernández-Lerga Garralda, Carlos          | 507                                   | 0   | 0.000 %                         |
| Lada Díaz, Luis                           | 500                                   | 0   | 0.000 %                         |
| Rodríguez-Quiroga Menéndez, Carlos        | 304                                   | 0   | 0.000 %                         |
| Ferrero-Waldner, Benita                   | 101                                   | 0   | 0.000 %                         |
| Vázquez Egusquiza, José María             | 0                                     | 0   | 0.000 %                         |

(\*) Through:

| <b>Name or trade name of direct holder of shares</b> | <b>Number of direct voting rights</b> | <b>% of total voting rights</b> |
|--|---------------------------------------|---------------------------------|
| RETOS OPERATIVOS XXI, S.L.                           | 133,015                               | 0.054 %                         |
| KARENZA INVERSIONES, SICAV S.A.                      | 3,750                                 | 0.002 %                         |
| Wife of Mr. Santiago Bergareche Busquet              | 1,005                                 | 0.000 %                         |

|  |          |
|--|----------|
| <b>% of voting rights in the hands of the Board of Directors</b> | 19.640 % |
|--|----------|

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

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

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

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

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

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

| <b>Name or trade name of related shareholders</b> | <b>Type of relationship</b> | <b>Brief description</b> |
|---|-----------------------------|--------------------------|
| <b>IBERDROLA, S.A.</b>                            | <b>CONTRACTUAL</b>          | <b>SEE SECTION C.2</b>   |

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

Yes   $\geq$

No  X

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

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

Yes   $\geq$

No  X

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

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

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

Yes   $\geq$

No  X

| Name or trade name |
|--------------------|
|                    |

| Comments |
|----------|
|          |

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

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

| Number of shares held directly | Number of shares held indirectly (*) | % total of share capital |
|--------------------------------|--------------------------------------|--------------------------|
| 2,045,001                      | 1,222,748                            | 1.33 %                   |

**(\*) Through:**

| <b>Name or trade name of direct holder of shares</b> | <b>Number of shares held directly</b> |
|--|---------------------------------------|
| BANCO SANTANDER, S.A.                                | 1,222,748                             |
| <b>Total:</b>  | <b>1,222,748</b>                      |

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

| <b>Date of disclosure</b> | <b>Total number of direct shares acquired</b> | <b>Total number of indirect shares acquired</b> | <b>% total of share capital</b> |
|---------------------------|---|---|---------------------------------|
|                           |   |   |                                 |

|  |              |
|--|--------------|
| <b>Gains / (Losses) on treasury stock divested during the period</b> | <b>- 161</b> |
|--|--------------|

See note (A.8) in section G contained herein.

**A.9. Provide details on the conditions and term of the mandate in force, so that the Board of Directors may acquire and transfer treasury stock.**

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

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

- a.- The acquisitions may be made directly by Gamesa Corporación Tecnológica, Sociedad Anónima or indirectly by any of the companies in which it has a controlling holding.
- b.- The share acquisitions, which must be fully paid up and free of charges or costs, will be made through sales, swaption or any other legally permitted operations.
- c.- The acquisitions may be made at any time and up to the legally allowed maximum figure.
- d.- The minimum share price will be their nominal value and the maximum will not be 10% above their market quotation value on the date of acquisition.
- e.- That the liabilities section of the Company Balance Sheet is endowed with a non-disposable reserve fund equivalent to the sum of the Company shares entered as assets. This reserve fund must be maintained until the shares have been transferred or capitalised.
- f.- The shares acquired may subsequently be transferred in freely decided conditions.
- g.- The present authorisation is awarded for a maximum period of 5 years, expressly repealing the unused part of the authorisation awarded by the Company Shareholders' Ordinary General Meeting held on May 29, 2009.

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

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

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

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

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

Yes  No

|   |  |
|---|--|
| <b>Maximum percentage of voting rights that a shareholder may exercise due to legal constraints</b> |  |
|---|--|

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

Yes  No

|   |  |
|---|--|
| <b>Maximum percentage of voting rights that a shareholder may exercise due to bylaw constraints</b> |  |
|---|--|

|   |
|---|
| <b>Description of legal and bylaw constraints on exercising voting rights</b> |
|   |

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

Yes  No

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

NOTICE. The present document is a translation of a duly approved document in Spanish- language, and it is only provided for informational purposes. Shall a discrepancy between the present translation and the original document in Spanish-language appear, the text of the original Spanish-language document shall always prevail.

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

**Yes**

**No**

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

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

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

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

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

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

| <b>Name or trade name of the director</b> | <b>Represented by</b>       | <b>Office in the Board</b> | <b>Date of first appointment</b> | <b>Date of last appointment</b> | <b>Procedure of appointment</b> |
|---|-----------------------------|----------------------------|----------------------------------|---------------------------------|---------------------------------|
| Calvet Spinatsch, Jorge                   |                             | Chairman and CEO           | 10-07-2005                       | 05-25-2007                      | General Shareholders' Meeting   |
| Arregui Ciarsolo, Juan Luis               |                             | Deputy Chairman            | 01-28-1976                       | 05-25-2007                      | General Shareholders' Meeting   |
| Fernández-Lerga Garralda, Carlos          |                             | Lead Independent Director  | 10-07-2008                       | 10-07-2008                      | General Shareholders' Meeting   |
| Rodríguez-Quiroga Menéndez, Carlos        |                             | Director and Secretary     | 09-27-2001                       | 05-25-2007                      | General Shareholders' Meeting   |
| Bergareche Busquet, Santiago              |                             | Director                   | 11-02-2005                       | 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                      | General Shareholders' Meeting   |
| Iberdrola, S.A.                           | Alcolea Cantos, José Miguel | Director                   | 06-26-2008                       | 06-26-2008                      | General Shareholders' Meeting   |
| Lada Díaz, Luis                           |                             | Director                   | 10-23-2009                       | 10-23-2009                      | General Shareholders' Meeting   |
| Ferrero-Waldner, Benita                   |                             | Director                   | 02-24-2010                       | 02-24-2010                      | General Shareholders' Meeting   |

|                                  |    |
|----------------------------------|----|
| <b>Total Number of Directors</b> | 10 |
|----------------------------------|----|

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

| <b>Name or trade name of director</b> | <b>Status of director at the moment of relinquishing office</b> | <b>Date of leaving office</b> |
|---------------------------------------|---|-------------------------------|
| Fernández Martínez, Pascual           | External Independent  | 02-24-2010                    |

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

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

**EXECUTIVE DIRECTORS**

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

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

**NON-EXECUTIVE DIRECTORS REPRESENTING SIGNIFICANT SHAREHOLDERS**

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

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

**NON-EXECUTIVE INDEPENDENT DIRECTORS**

| <b>Name or trade of director</b>                           | <b>Background</b>  |
|--|--|
| <p align="center">Bergareche Busquet,<br/>Santiago</p>     | <p>Born in Bilbao (Vizcaya), he holds the position of Member of the Board of Directors and of the Appointments and Remuneration Committee of GAMESA CORPORACIÓN TECNOLÓGICA, S.A.</p> <p>He holds a Degree in Law and Economics from the Commercial University of Deusto.</p> <p>He is currently Deputy Chairman of Grupo Ferrovial, S.A. (since January 25<sup>th</sup>, 2002), a Member of its Board of Directors (since February 1999), and of its Executive Committee and of its Appointments and Remuneration Committee; as well as Chairman of Dinamia Capital Privado SCR, S.A. (since December 12<sup>th</sup>, 2002); individual representing Bycomels Prensa, S.L. in the performance of the post of Member of the Board of Directors and of the Executive Committee in the company Vocento, S.A.; and Chairman of the Board of Directors and Chairman of the Nominations and Compensation Committee of Compañía Española de Petróleos, S.A. (CEPSA).</p> <p>He was the General Manager of Banco Bilbao Vizcaya Argentaria, S.A., Chairman of Metrovacesa, S.A., Chairman of Ferrovial Agroman, S.A. and CEO of Grupo Ferrovial, S.A.</p>  |
| <p align="center">Fernández-Lerga<br/>Garralda, Carlos</p> | <p>Born in Pamplona (Navarra). He is currently Lead Independent Director, and Chairman of the Appointment and Remuneration Committee of GAMESA CORPORACIÓN TECNOLÓGICA, S.A.</p> <p>He holds a Law degree from the University of Navarra, a Master in European Studies from the University of Louvaine in Belgium and did doctorate courses in Law at the Complutense University in Madrid and specialized in Corporate Law at the Bank of Spain's Training Center.</p> <p>He finished his studies in International Law at the Hague International Academy of Law, in Comparative Law and International Organizations at Strasbourg and the Collège Universitaire d'Études Fédéralistes in Nice, Val d'Aosta.</p> <p>He is a practicing lawyer and currently holds several positions, including member of the Board of Directors of Inmobiliaria Colonial, S.A. and Société Foncière Lyonnaise (SFL), General Director of La Caixa, General Secretary of the Autor Foundation, Member of the Executive Committee of the Real Instituto Elcano de Estudios Internacionales y Estratégicos, Patron of the Spain-United States Foundation, Patron of the Spain-China Foundation and Patron of the Euroamerica Foundation.</p> |

|                 |  |
|-----------------|--|
|                 | <p>He has held several positions throughout his professional career. He was an advisor to the Minister and to the Secretariat of State for Relations with the European Community (negotiating Spain's accession to the European Community, May 1978 - December 1983), General Manager of Asesoramiento Comunitario, S.A. belonging to Grupo Banco Hispano Americano (1984-1985), member of the Board of Directors of Abantia Corporación; member of the World Federalist Youth Secretariat (Amsterdam, The Netherlands), Secretary of the European League for Economic Cooperation (LECE), Secretary of the Fundación para el Progreso y la Democracia, Treasurer of the Madrid Bar Association.</p> <p>He also taught at the Political Sciences Department of the Complutense University and the Institute for European Studies of the University of Alcalá de Henares, among others.</p> <p>He is the author and co-author of numerous works and has published many articles on economics and general information in the press.</p> <p>He has also given many talks in Spanish at foreign universities and institutions, as well as delivered papers in Congresses.</p> <p>He has been awarded the Encomienda de la Órden de Mérito Civil (a Spanish civil distinction).</p>   |
| Lada Díaz, Luis | <p>He was born in Mieres (Asturias). He currently holds the position of Member of the Board of Directors and of the Audit and Compliance Committee of GAMESA CORPORACIÓN TECNOLÓGICA, S.A.</p> <p>He holds a Degree in Telecommunications Engineering from the Polytechnic University of Madrid. He is "Ad Honorem" Professor and permanent member of the Royal Academy of Engineering.</p> <p>After a short period in the Superior Board of Scientific Investigations (Consejo Superior de Investigaciones Científicas) he joined, in 1973, the Center of Investigations and Studies of Telefónica, company where he mostly has developed his professional career. In 1984, he was appointed as Responsible for Planning and Technology. Between 1989 and 1993 he worked for the Amper Group, as General Director of Planning and Control, and after that he returned to Telefónica as Responsible of its Group of Subsidiaries and Participated Companies. In 1994 he was appointed Chairman of Telefonica Moviles in Spain. In August, 2000, he became member of the Board of Directors of Telefonica, S.A., member of its Executive Committee and Executive Chairman of Telefonica Moviles, S.A. In August, 2003, he assumed the General Directorate of Development, Planning and Regulation of the Telefonica Group. Between December 2005 and July 2006 he was Executive Chairman of Telefonica de España.</p> |

|  |  |
|--|--|
|  | <p>Currently, he is General Director of Ribafuerte, S.L., member of the Board of Directors of Indra Sistemas, of Telefónica O2 Czech Republic, of Telcel (Telefónica Venezuela), of Telefónica I+D and of Ydilo AVS; member of the Circulo de Empresarios and of the Advisory Boards of Telefónica España, Telefónica Latinoamérica, Teldat and ASSIA Inc., and of the "Fundación de la Innovación Bankinter".</p> <p>He has been member of the Government Board and Vice Chairman of the Spanish Telecommunications Engineers Association, as well as member of the Board of Directors of several companies of the Information Technology field. He has been awarded with different professional and business honours.</p>  |
| <p>Vázquez Egusquiza,<br/>José María</p> | <p>He was born in Bilbao (Vizcaya). He currently holds the position of Member of the Board of Directors and Chairman of the Audit and Compliance Committee of GAMESA CORPORACIÓN TECNOLÓGICA, S.A.</p> <p>He holds an Industrial Metallurgic Engineering Degree and an Economics Degree from the University of País Vasco, having completed his training with various Masters in the USA and Sweden.</p> <p>His professional career has been developed mainly in the metallurgic sector. He started at Babcock &amp; Wilcox as an engineer of materials and weld in the valves for the nuclear power station department, holding afterwards management positions at different companies of the País Vasco within the metallurgic sector, equipments, shipping and construction.</p> <p>He is currently, among others, Chairman of the Confederación Empresarial de Bizkaia (CEBEK), Chairman of the Board of Directors of GIROA (Grupo Dalkia), Director of Bilbao's Port Authority, member of the Strategic Committee of IK4 Research Alliance and member of the Patronato and the Strategic Board of the Centro de Estudios e Investigaciones Técnicas de Gipuzkoa (CEIT).</p> <p>He has performed, among others, tasks of President of the Industrial Politics Committee of CONFEBASK, member of the Board of Directors of CEOE, President of the Technological Innovation Committee of CEOE, member of the Corporate Committee for CEOE's Information Company, Director of Centro de Diseño Industrial of Bizkaia, member of the Board of Directors of Asociación Española para el Desarrollo de la Soldadura and member of the Board of Directors of SEOPAN.</p> <p>He has developed an intensive educational and disclosed work.</p> |

|  |     |
|--|-----|
| <b>Total number of independent directors</b> | 4   |
| <b>% total of the Board</b>                  | 40% |

**OTHER EXTERNAL DIRECTORS**

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

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

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

| <b>Name or trade name of the director</b> | <b>Reasons</b>   | <b>Company, management staff member or shareholder with whom he/she is linked</b> |
|---|--|---|
| Arregui Ciarsolo, Juan Luis               | His resignation as Director of IBERDROLA, S.A. motivates the loss of the External Proprietary character but he can not be qualified as External Independent according to article 8.2 of the Board of Directors Regulations | IBERDROLA, S.A.   |
| Ferrero-Waldner, Benita                   | Receipt of economic amounts for services rendered to GAMESA CORPORACIÓN TECNOLÓGICA, S.A.  | GAMESA CORPORACIÓN TECNOLÓGICA, S.A.  |

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

| <b>Name or trade name of the director</b> | <b>Date of change</b> | <b>Former classification</b> | <b>Current classification</b> |
|---|-----------------------|------------------------------|-------------------------------|
| Arregui Ciarsolo, Juan Luis               | 04/21/2010            | External Proprietary         | "Other External Directors"    |
| Ferrero-Waldner, Benita                   | 04/21/2010            | External Independent         | "Other External Directors"    |
| Fernández-Lerga Garralda, Carlos          | 04/21/2010            | "Other External Directors"   | External Independent          |

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 |
|-----------------------------|---------------------------------|
| Fernández Martínez, Pascual | Personal reasons                |

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

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

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

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

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

| Name or trade name of the director | Trade name of the listed company     | Office                |
|------------------------------------|--------------------------------------|-----------------------|
| Arregui Ciarsolo, Juan Luis        | GRUPO EMPRESARIAL ENCE, S.A.         | Chairman              |
|                                    | CARTERA INDUSTRIAL REA, S.A.         | First Deputy Chairman |
| Bergareche Busquet, Santiago       | GRUPO FERROVIAL, S.A.                | Deputy Chairman       |
|                                    | DINAMIA CAPITAL PRIVADO, SCR, S.A.   | Chairman              |
|                                    | COMPAÑÍA ESPAÑOLA DE PETRÓLEOS, S.A. | Chairman              |
|                                    | VOCENTO, S.A.                        | Director              |
| Calvet Spinatsch, Jorge            | QUABIT INMOBILIARIA, S.A.            | Director              |
| Fernández-Lerga Garralda, Carlos   | INMOBILIARIA COLONIAL, S.A.          | Director              |
| Lada Díaz, Luis                    | INDRA SISTEMAS, S.A.                 | Director              |

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

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

Yes  X

No   $\geq$

| Explanation of the rules  |
|---|
| <p>The Board of Directors of GAMESA CORPORACIÓN TECNOLÓGICA, S.A., in its meeting held on December 15, 2010, approved the amendment of the Board of Directors regulations and the article 7 of the new consolidated text of the aforementioned Regulations establishes rules about the number of Boards of which its Directors can be a member:</p> <p><b><i>"Article 7.- Requirements for becoming a Board Member</i></b></p> <p><i>No natural persons or legal entities may become a Member of the Board, nor hold other executive posts in the Company, if they are incompatible with this post, in accordance with current legal provisions, the Company's Bylaws and the Regulations. Specifically, and without limitation, the following may not become Members of the Board:</i></p> |

*a) Any person acting in the capacity of administrator of three or more enterprises whose shares are traded on domestic or foreign markets.*

*(...)"*

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

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

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

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

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

| <b>Remuneration item</b>                                | <b>Figure in thousands euros</b> |
|---|----------------------------------|
| <b>Fixed remuneration</b>                               | 1,930                            |
| <b>Variable remuneration</b>                            | 609                              |
| <b>Allowances</b>                                       | 331                              |
| <b>Bylaw items</b>                                      | 135                              |
| <b>Stock options and/or other financial instruments</b> |                                  |
| <b>Others</b>   |                                  |
| <b>TOTAL:</b>   |                                  |

| <b>Other Benefits</b>                                    | <b>Figure in thousands euros</b> |
|--|----------------------------------|
| <b>Advances</b>  |                                  |
| <b>Loans granted</b>                                     |                                  |
| <b>Pension Schemes and Funds: Contributions</b>          |                                  |
| <b>Pension Schemes and Funds: Liabilities contracted</b> |                                  |
| <b>Life insurance premiums</b>                           | 32                               |
| <b>Guarantees extended by the company to directors</b>   |                                  |

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

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

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

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

| <b>Type of director</b>  | <b>From company</b> | <b>From group</b> |
|--|---------------------|-------------------|
| <b>Executive directors</b>   | 1,759               |                   |
| <b>Non-executive<br/>directors representing<br/>significant<br/>shareholders</b> | 274                 |                   |
| <b>Non-executive<br/>independent directors</b>                                   | 639                 |                   |
| <b>Other non-executive<br/>external directors</b>                                | 365                 |                   |
| <b>Total</b>   | 3,037               |                   |

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

|  |       |
|--|-------|
| <b>Directors' total remuneration<br/>(in thousands euros)</b>                                      | 3,037 |
| <b>Total directors' remuneration/profits<br/>attributed to parent company<br/>(expressed in %)</b> | 5.27  |

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

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

| <b>Name or trade name</b>               | <b>Office</b>  |
|---|--|
| Blanco Lucas, Amalia                    | Communication and External Relations Managing Director |
| Chocarro Melgosa, Ricardo               | Operations Managing Director                           |
| Cisneros Humaran, Iñigo                 | Legal Services Managing Director                       |
| Cortajarena Manchado, José Antonio      | General Secretary                                      |
| Fernández Martín del Campo, Juana María | Human Capital Managing Director                        |
| Giménez Sainz de la Maza, Iñigo         | Chief Operating Officer                                |
| Iñarritu Ibarreche, Juan Ramón          | Management Control Managing Director                   |
| Kymal, D. Ramesh                        | Chairman and CEO for India                             |
| Larretxi Burgos, José Ignacio           | Excellence Managing Director                           |
| López García, Pedro                     | Services Managing Director                             |
| Malumbres García, José Antonio          | Technology Managing Director                           |
| Matthys, Dirk                           | Chairman and CEO for North America                     |
| Monzón Arribas, Teodoro                 | Wind Farm Development and Sales Managing Director      |
| Perea Sáenz de Buruaga, Javier          | Commercial and Projects Managing Director              |
| Zaldua Lasa, Jesús                      | Executive Director Gamesa Energía Latin America        |
| Zarza Yabar, Félix                      | Manager of Internal Audit                              |

|  |              |
|--|--------------|
| <b>Total senior management remuneration (in thousands euros)</b> | <b>8,109</b> |
|--|--------------|

See note (B.1.12) in section G contained herein.

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

|                                |           |
|--------------------------------|-----------|
| <b>Number of beneficiaries</b> | <b>14</b> |
|--------------------------------|-----------|

|                                     | <b>Board of Directors</b> | <b>General Shareholders' Meeting</b> |
|-------------------------------------|---------------------------|--------------------------------------|
| <b>Body authorizing the clauses</b> | X                         |                                      |

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

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

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

| <b>Process for setting the remuneration of members of the Board of Directors and the Bylaw clauses</b>  |
|---|
| <p><u>1. The remuneration of the members of the Board of Directors according to the internal regulation of the company:</u></p> <p>The internal regulation of GAMESA CORPORACIÓN TECNOLÓGICA, S.A. rules the remuneration of the members of the Board of Directors in the following articles:</p> <ul style="list-style-type: none"> <li>- Article 25 of the Bylaws</li> <li>- Article 31 of the Board of Directors Regulation</li> </ul> <p><u>2. Application of the internal regulation of the company in the remuneration of the Board of Directors in the fiscal year 2010:</u></p> <p>According to the <u>"Report regarding the remuneration policy of the Board of Directors in the fiscal year 2010 and its application in the fiscal year 2009"</u>, approved by the Board of Directors of GAMESA CORPORACIÓN TECNOLÓGICA, S.A., and placed at the shareholder's disposal for the call of the Shareholders' General Meeting that took place on May 28, 2010, we proceed to detail the remuneration system that was effectively applied by GAMESA CORPORACIÓN TECNOLÓGICA, S.A. and, more precisely, during the fiscal year 2010.</p> <p><u>Remuneration of the members of the Board of Directors for their activity as Directors:</u></p> <p>The remuneration of the members of the Board of Directors of GAMESA CORPORACIÓN TECNOLÓGICA, S.A. for their activity as Directors is on one hand an annual fixed remuneration for their membership of the Board of Directors and of the Committees and for the exercise of internal posts and on the other hand an allowance for attending the meetings of the Board of Directors and the meetings of the above-mentioned Committees.</p> <p>The Board of Directors of GAMESA CORPORACIÓN TECNOLÓGICA, S.A., on proposal of the Appointments and Remuneration Committee, approved the freeze, for the fiscal year 2010, of the fixed remuneration and of the attendance allowances of the meetings of the Board of Directors and of the Committees.</p> <p><u>Remuneration of the Chairman and Chief Executive Officer and of the rest of Executive Directors, if applicable:</u></p> <p>According to the Articles of Association and the Board of Directors Regulations of GAMESA CORPORACIÓN TECNOLÓGICA, S.A., the remuneration of the Directors for the performance of his activity is independent to the remuneration that, with a general or singular character, is recognized to the members of the Board of Directors that fulfil executive duties or professional orders.</p> |

a) Remuneration of the Chairman and Chief Executive Officer:

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

- Fixed remuneration
- Variable remuneration: annual and/or long term.

The annual Variable Remuneration is linked to the fulfilment of the results of the Company that are measured through financial indicators, competitiveness factor and objectives of the group that are previously defined by the Board of Directors on proposal of the Appointment and Remuneration Committee.

The Shareholders' General Meeting of GAMESA CORPORACIÓN TECNOLÓGICA, S.A. held on May 29, 2009 approved the implementation of a Long Term Incentive Plan through the delivery of shares of the company (hereinafter, the "Plan") aimed to the Executive Directors, Senior Managers, Managers and employees of GAMESA CORPORACIÓN TECNOLÓGICA, S.A. and, if applicable, of the dependent companies, bound to the achievement, by the end of the duration period of the program, of certain targets bound to the Business Plan 2009-2011. The Board of Directors of GAMESA CORPORACIÓN TECNOLÓGICA, S.A., on proposal of the Appointment and Remuneration Committee has agreed to apply this Plan to the Chairman and CEO within the limits authorized by the Shareholders' General Meeting.

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

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

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

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

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

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

Yes

No

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

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

Yes

No

| <b>Matters on which the remuneration policy report takes a stance</b>  |
|--|
| <p>The remuneration policy report declares essentially the fixed remuneration and the amount of allowances that correspond to each member of the Board of Directors according to his post and to his membership to the Committees.</p> <p>It declares also the Remuneration of the Chairman and CEO and of the other Executive Directors, if applicable.</p> <p>In the section B.1.14 of this document the detailed information about the content of the report about the remuneration policy and its application for the fiscal year 2010 is to be found.</p> |

| <b>Role played by the Remuneration Committee</b>  |
|---|
| Suggest to the Board of Directors the system and the amount of fixed remuneration and allowances of the Directors, as well as the remuneration of the Executive Directors and the rest of the conditions of their contracts, according to the internal regulations of the company.<br>Likewise it informs the Board of Directors, for its approval, about the multi-year incentive systems, according to the Article 19.5.k) of the Board of Directors Regulations. |

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

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

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

| <b>Name or trade name of the director</b> | <b>Trade name of significant shareholder</b> | <b>Office</b>                               |
|---|--|---|
| Velasco Gómez, Pedro                      | 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:

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

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

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

**Yes X**

**No**

| <b>Description of amendments</b>   |
|--|
| <p>During the year 2010 three amendments of the Board of Directors Regulations have taken place, amendments that were approved by the Board of Directors in its meetings of February 24, April 21, and December 15, 2010.</p> <p><u>1. Amendment approved by the Board of Directors on February 24, 2010:</u><br/>The amendment affected the paragraph 2 of Article 1 and principally answers the necessity of adapting the corporate governance internal rules to the new organizational structure that was intended to be implemented.</p> <p>The organizational structure of GAMESA CORPORACIÓN TECNOLÓGICA, S.A. was modified so that the Senior Management was formed not only by those that, among others, develop its senior managements functions under the direct dependency of the Chairman of the Board of Directors, but also by those that develop that functions under the direct dependency of those, that at the same time depend directly from the Chairman of the Board of Directors.</p> <p><u>2. Amendment approved by the Board of Directors on April 21, 2010:</u><br/>The amendment of the Board of Directors regulations affected four articles and answered, mainly, to the wish to go forward in the construction and improvement of the Corporate Governance of the Company through the following measures:</p> <p>a) Strengthen the counterweights applied in the assumption that the Chairman of the Board of Directors is at the same time the CEO of GAMESA CORPORACIÓN TECNOLÓGICA, S.A., boosting the figure of the Lead Independent Director (<i>senior or lead independent director</i>, as known in the Anglo-Saxon world).</p> <p>b) Reduce the duration of the posts of Director from six to four years, according to the proposal of amendment of the By-Laws of the Company to adapt the duration to the recommendations of the majority of proxy voting agency in this matter.</p> <p>c) Eliminate the obligation of quitting the post of Chairman, Deputy Chairman, CEO, Secretary and Deputy Secretary at the age of 65 years, according to the latest tendencies of legislation and companies of our environment.</p> <p><u>3. Amendment approved by the Board of Directors on December 15, 2010:</u><br/>The amendment of the Board of Directors regulations was structured around three main topics:</p> <ul style="list-style-type: none"><li>• to update and complete the text of the Board of Directors Regulations, clarifying, reviewing and developing the regulation of certain matters according to the recent amendments in corporate law;</li><li>• to adapt the Board of Directors Regulation to some of the recommendations of the <i>Código Unificado de Buen Gobierno</i> (Spanish Corporate Governance Unified Code) approved by the Board of the <i>Comisión Nacional del Mercado de Valores</i> (National Securities Commission) on May 22, 2006;</li></ul> |

- to incorporate technical improvements in its writing and system, taking advantage of the proposed amendment to homogenize certain concepts in the documents that are part of the internal rules of GAMESA CORPORACIÓN TECNOLÓGICA, S.A., restructuring the system of articles, and introducing little changes developing existing articles.

Because of the profound amendment of the Board of Directors Regulations, the amendment was shaped as the approval of a restated text of the Board of Directors Regulations of GAMESA CORPORACIÓN TECNOLÓGICA, S.A.

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

Appointment procedure:

Pursuant to Article 17 of the GAMESA CORPORACIÓN TECNOLÓGICA, S.A. Bylaws the members of the Board are *"appointed by the General Shareholders' Meeting"* with the forecast that *"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 Capital Companies Law (*Ley de Sociedades de Capital*) and the Bylaws.

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

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

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

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

#### Appointments occurred:

According to the Significant Event number 125930 sent to the CNMV on date May 28, 2010, the Shareholders' General Meeting of GAMESA CORPORACIÓN TECNOLÓGICA, S.A. approved the ratification of the appointment as member of the Board of Directors, under the category of external independent, of Mr. Luis Lada Díaz, appointed by cooption by the Board of Directors, at proposal of the Appointments and Remuneration Committee in his meeting held on October 23, 2009 (Significant Event number 115354).

According to the Significant Event number 125930 sent to the CNMV on date May 28, 2010, the Shareholders' General Meeting of GAMESA CORPORACIÓN TECNOLÓGICA, S.A. approved the ratification of the appointment as member of the Board of Directors, under the category of "Other External Directors", of Ms. Benita Ferrero-Waldner, appointed by cooption by the Board of Directors, at proposal of the Appointments and Remuneration Committee, in its meeting of February 24, 2010 under the category of external independent (Significant event number 121170), and reassessed under the category of "Other External Directors", with prior report of the Appointments and Remuneration Committee, in the meeting of the Board of Directors held on April 7, 2010 (Significant Event number 123906).

#### Reappointment procedure:

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

#### Assessment procedure:

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

In the exercise of that regulatory measure the Appointments and Remuneration Committee presented to the Board of Directors a report about the assessment, each made separately, of the Chairman and CEO of the company, of the Board of Directors, and of the proper Appointments and Remuneration Committee, report that was examined and approved by the Board of Directors in his meeting of May 28, 2010. In the same way, the Audit and Compliance Committee presented to the Board of Directors a report about his operation that was examined and approved by the Board of Directors in the aforementioned meeting of May 28, 2010.

#### Vacation procedure:

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

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

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

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

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

- a) Concerning Proprietary Directors, whenever these or the shareholder they represent cease to be the holders of significant stable stakes in the Company, as well as whenever such shareholders revoke the representation.*
- b) Concerning Executive Directors, whenever the Board may deem fit.*
- c) Concerning External Directors, whenever they join the Company's management or the management of any of the Group's companies.*
- d) Concerning Independent Directors, when for any other reason any of the circumstances set forth in Article 8.2 of these Regulations apply, causing an incompatibility with their status as an Independent Director.*
- e) Whenever due to circumstances beyond their control, they are involved in a conflict of interest or prohibition as set forth in current legislation, the Bylaws or these Regulations.*
- f) Whenever they are brought to trial for a supposedly criminal act or a court ruling is passed against them for the opening of trial for any of the offences set forth in the provision of the Corporations Law (*Ley de Sociedades Anónimas*) relating to the prohibitions on being an administrator, or whenever they are involved in disciplinary proceedings for a serious or very serious offense brought by the supervisory authorities.*
- g) When they reach the age of 70 years. Standing down as a Director shall come about during the first meeting of the Board of Directors held after the General Shareholders' Meeting in which the annual accounts are approved for the financial year in which the Director reaches the aforementioned age.*

*h) Whenever they stand down from executive positions linked to their appointment as a Director.*

*i) Whenever they are issued a serious warning by the Audit and Compliance Committee or are sanctioned for a serious or very serious offence by a public authority for having breached their duties as a Director.*

*j) Whenever their continuity on the Board may put the Company's interests at risk, or whenever the reasons for their appointment have ceased to exist.*

*k) When acts attributable to the Director acting in such a capacity cause a significant damage to the company's equity, or result in the loss of the business and professional reputation and credibility required for being a Director of the Company."*

Resignations occurred:

According to the Significant Event number 121170 sent to the CNMV on date February 24, 2010, in the meeting of the Board of Directors of GAMESA CORPORACIÓN TECNOLÓGICA, S.A. held on the same day, the external independent Director Mr. Pascual Fernández Martínez resigned, for personal reasons, as member of the Board of Directors and of the Appointments and Remuneration Committee.

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 X**

**No**

**Measures to limit risks**

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

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

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

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

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

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

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

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

Consequently, because of the executive category of the CEO he can not be a member of any of the delegated Committees of the Board of Directors, as it is expressly prohibited in the Bylaws, the Board of Directors Regulations and in the Audit and Compliance Committee Regulations.

## 3. Functions reserved to the Board of Directors

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

## 4. Assessment of the Chairman and CEO

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

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

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

**Yes X**

**No**

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

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

**Yes X**

**No ≥**

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

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

|  |  |  |
|--|--|--|
| thirds of the Directors,<br>either present or<br>represented at the meeting,<br>except in cases when these<br>amendments are imposed<br>by law.<br>(Article 22.4. of the Board<br>of Directors Regulations). |  |  |
|--|--|--|

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

Yes  No

| Description of the requirements |
|---------------------------------|
|                                 |

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

Yes  No

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

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

Yes  No

**Age limit for Chairman 70**

**Age limit for CEO 70**

**Age limit for directors 70**

See note (B.1.25) in section G contained herein.

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

Yes

No

|   |  |
|---|--|
| <b>Maximum number of years for term of office</b> |  |
|---|--|

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

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

|   |
|---|
| <b>Explanation of reasons and initiatives</b> |
|   |

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

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

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

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

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

For the purposes, all documents calling the Board of Directors meetings include a specific proxy form for the meeting in question and, should it be necessary, voting instructions should the director granting the proxy wish to use them. Hence, pursuant to Article 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"*.

The Director, that during the year 2010, did not attend a meeting of the Board of Directors of GAMESA CORPORACIÓN TECNOLÓGICA, S.A, as it is included in the section B.1.30 of the present document, did use the delegation faculty previously described, according to the Board of Directors Regulations and the Bylaws of GAMESA CORPORACIÓN TECNOLÓGICA, S.A.

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

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

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

|  |            |
|--|------------|
| <b>Number of meetings of the Executive or Delegated Committee</b>        | <b>N/A</b> |
| <b>Number of meetings of the Audit Committee</b>                         | <b>11</b>  |
| <b>Number of meetings of the Appointments and Remuneration Committee</b> | <b>8</b>   |
| <b>Number of meetings of the Appointments Committee</b>                  | <b>N/A</b> |
| <b>Number of meetings of the Remuneration Committee</b>                  | <b>N/A</b> |

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

|  |              |
|--|--------------|
| <b>Number of non-attendances by directors during the financial year</b>              | <b>1</b>     |
| <b>% of non-attendances compared to the total of votes during the financial year</b> | <b>0.83%</b> |

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

**Yes  No**

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

| <b>Name</b> | <b>Office</b> |
|-------------|---------------|
|             |               |

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

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

*"d) Know the financial information process, revise the information which the Company must periodically and/or compulsorily supply to the markets and its supervision bodies, in sufficient detail to ensure it is correct, accurate, sufficient and clear, and know the Company's internal control systems, as well as check their suitability and integrity, supervising the identification, measuring and control of risks.*

*e) Maintain relations with the External Auditors in order to receive information about issues that may put their independence at risk, and anything else relating to the development of the account auditing, as well as those other communications set out in the account audit legislation and in the auditing technical rules, and to serve as a communication channel between the Board of Administration and the auditors, assess the results of each audit and the replies from the management team and its recommendations and mediate in the cases of disagreement between them in relation to the principles and criteria applicable to the preparation of the financial balances.*

*f) Revise the content of the audit reports before they are issued, ensuring that the said content and the opinion about the annual accounts is drafted clearly and precisely, as well as supervising performance of the audit contract.*

*g) Monitor compliance with the legal requirements and the correct application of the generally accepted accounting principles, and inform the Board of any significant change in the accounting criteria and of the balance and other risks."*

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

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

*"e) Serving as a communications channel between the Board of Directors and the External Auditor, evaluating the results of each audit as well as the management team's responses to its recommendations. Mediating in cases of discrepancies between the External Auditor and the management team, in relation to the principles and criteria applicable to the preparation of the financial statements, independently of the Company financial management's relation with the External Auditor, and of the direct interlocutory and reporting role that said management should maintain with the Committee as to issues mentioned in the present Article.*

*f) Reviewing the audit reports before they are issued, making sure that the content and opinions concerning the annual accounts are expressed clearly, precisely, and without qualifications by the External Auditor."*

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

It also shall be remarked that the External Auditor has appeared in the Audit and Compliance Committee in three occasions during the financial year ending on December 31, 2010:

- appearance on February 23, 2010 related to the preparation of the annual accounts referring to the financial year ending on December 31, 2010.
- appearance on July 27, 2010 related to the limited revision about the intermediate financial statements of June 30, 2010, and related to the recommendations for the improvement of the internal control system of financial information.
- appearance on December 14, 2010, related to the most relevant aspects, identified in its preliminary stage, about the annual accounts of the financial year ending in December 31, 2010.

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

**Yes X**

**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.**

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

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

NOTICE. The present document is a translation of a duly approved document in Spanish- language, and it is only provided for informational purposes. Shall a discrepancy between the present translation and the original document in Spanish-language appear, the text of the original Spanish-language document shall always prevail.

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

Yes X

No

**Comments**

Article 13.3 of the GAMESA CORPORACIÓN TECNOLÓGICA S.A. Board of Directors Regulations sets forth that *"the Secretary shall at all times look after the formal and material legality of the Board's actions and specially ensure that the Board's actions:*

*a) Observe the required formal and material legality and comply with the provisions emanating from the regulatory bodies and, where appropriate, with their recommendations.*

*b) Comply with the Company's Bylaws and with the Regulations of the Board of Directors, of the General Shareholders' Meeting and other Company regulations.*

*c) Take into consideration the recommendations on good corporate governance issued by the regulatory bodies which the Company has accepted in its Bylaws and in the Company's internal regulations.*

*d) Process all requests of the Board Members relating to the information and documentation for any matters that the Board of Directors needs to be aware of."*

**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 18.4 g) of the Board of Directors Regulations and Article 6 of the Audit and Compliance Committee Regulations, one of this committee's functions is *"maintaining relationships with External Auditors to receive information on any matters that could place their independence at risk and regarding any other matters concerning the performance of the account auditing process, as well as of any other disclosures laid down by account auditing legislation and technical auditing standards, and serving as a channel of communications between the Board of Directors and the auditors, assessing the results of each audit and the management team's response to its recommendations, and mediating in the event of discrepancies between them regarding the principles and criteria applicable in the drawing up of financial statements"*. As Article 6 e) of the Audit and Compliance Committee Regulations lays down, this should be construed *"independently of the Company financial management's relation with the External Auditor, and of the direct interlocutory and reporting role that said management should maintain with the Committee as to issues mentioned in the present Article."*

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

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

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

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

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

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

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

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

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

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

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

**Yes**

**No**

| <b>Former auditor</b> | <b>Current auditor</b> |
|-----------------------|------------------------|
|                       |                        |

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

**Yes**

**No**

| Explanation of disagreements |
|------------------------------|
|                              |

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

Yes                       No

|   | Company | Group  | Total  |
|---|---------|--------|--------|
| <b>Amount of work other than auditing work (thousands euros)</b>                                |         | 266    | 266    |
| <b>Amount of work other than auditing work / total amount invoiced by the auditing firm (%)</b> |         | 15.49% | 15.49% |

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

Yes                       No

| Explanation of the reasons |
|----------------------------|
|                            |

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

|                                    | Company | Group |
|------------------------------------|---------|-------|
| <b>Number of consecutive years</b> | 20      | 20    |

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

| <b>Name or trade name of the director</b> | <b>Name of company in which shares are held</b> | <b>% shareholding</b> | <b>Position or functions</b>                |
|---|---|-----------------------|---|
| Arregui Ciarsolo, Juan Luis               | IBERDROLA, S.A.                                 | 0.577%                | None  |
| IBERDROLA, S.A.                           | IBERDROLA RENOVABLES, S.A.                      | 80%                   | None  |
|   | IBERDROLA GENERACIÓN, S.A.                      | 100%                  | Single Administrator                        |
|   | IBERDROLA ENERGÍA, S.A.                         | 100%                  | Single Administrator                        |
|   | IBERDROLA INGENIERÍA Y CONSTRUCCIÓN, S.A.U.     | 100%                  | None  |
|   | SCOTTISH POWER, LIMITED                         | 100%                  | None  |
| Velasco Gómez, Pedro                      | IBERDROLA, S.A.                                 | 0.000%                | Manager of Non-Energy Businesses and Assets |
| Fernández-Lerga Garralda, Carlos          | IBERDROLA RENOVABLES, S.A.                      | 0.000%                | None  |

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

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

**Yes**

**No**

| <b>Details of the procedure</b>  |
|--|
| <p>Pursuant to the provisions set forth in Article 30 of the Board of Directors Regulations "in order to be aided in the performance of their duties, the External Directors may request the contracting of legal, accounting and financial experts, as well as the aid of other experts at the Company's expense. The request must necessarily be related to specific problems of a certain relevance and complexity that arise during the performance of the duties.</p> <p>The request to contract such experts must be presented to the Chairman or the Secretary to the Board of the company, which will forward it to the approval of the Board of Directors, which can decline it, among others, in the following events:</p> |

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

Likewise, Article 21 of the Audit and Compliance Committee Regulations sets forth the mechanisms and limits for the external professional advice that can be requested.

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

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

**Yes**

**No**

**Details of the procedure**

Article 18 of the Corporate Bylaws states that "*the Board of Administration will be called, and all of the documentation necessary for it and any other exchange of document between the members of the Board of Administration, by letter, fax or telegram. They can also be done by any other electronic, telematic, computerised or similar method that allows for the sending and receipt of letters and documents.*"

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

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

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

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

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

Yes

No

| Explain the rules   |
|---|
| <p>As was indicated in Section B.1.20 above, Article 27 of the Board of Directors Regulations of GAMESA CORPORACIÓN TECNOLÓGICA, S.A. lays down the circumstances in which Directors must place their office at the Board's disposal and tender their resignation should the Board deem it suitable.</p> <p>Harming the company's good standing and reputation is one of these reasons.</p> <p>More specifically, Directors should proceed as above whenever:</p> <ul style="list-style-type: none"> <li>a) <i>"Whenever due to circumstances beyond their control, they are involved in a conflict of interest or prohibition as set forth in current legislation, the Bylaws or these Regulations."</i> (Article 27.2.e).</li> <li>b) <i>"Whenever they are brought to trial for a supposedly criminal act or a court ruling is passed against them for the opening of trial for any of the offences set forth in the provision of the Corporate Companies Law (Ley de Sociedades de Capital) relating to the prohibitions on being an administrator, or whenever they are involved in disciplinary proceedings for a serious or very serious offence brought by the supervisory authorities."</i> (Article 27.2.f)</li> <li>c) <i>"Whenever they are issued a serious warning by the Audit and Compliance Committee or are sanctioned for a serious or very serious offence by a public authority for having breached their duties as a Director."</i> (Article 27.2.i).</li> <li>d) <i>"Whenever their continuity on the Board may put the Company's interests at risk, or whenever the reasons for their appointment have ceased to exist."</i> (Article 27.2.j).</li> </ul> <p>Likewise it should be pointed out that the members of the Board of Directors shall inform the Board of Directors of any criminal proceedings in which they are involved as suspects, as well as about any subsequent procedural events, according to the Article 27.6 of the Board of Directors Regulations.</p> |

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

Yes

No

| Name of director | Criminal trial | Comments |
|------------------|----------------|----------|
|                  |                |          |

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

**Yes** >

**No** >

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

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

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

#### EXECUTIVE OR DELEGATE COMMITTEE

| Name | Office | Type |
|------|--------|------|
|      |        |      |

#### AUDIT AND COMPLIANCE COMMITTEE

| Name                                  | Office                     | Type                 |
|---------------------------------------|----------------------------|----------------------|
| Vázquez Egusquiza,<br>José María      | Chairman                   | External Independent |
| Velasco Gómez,<br>Pedro               | Member                     | External Proprietary |
| Lada Díaz, Luis                       | Member                     | External Independent |
| Rodríguez-Quiroga<br>Menéndez, Carlos | Secretary (Non-<br>Member) | Executive            |

#### APPOINTMENTS AND REMUNERATION COMMITTEE

| Name                                  | Office                     | Type                     |
|---------------------------------------|----------------------------|--------------------------|
| Fernández-Lerga<br>Garralda, Carlos   | Chairman                   | External Independent     |
| Arregui Ciarsolo,<br>Juan Luis        | Member                     | Other External Directors |
| Bergareche Busquet,<br>Santiago       | Member                     | External Independent     |
| Rodríguez-Quiroga<br>Menéndez, Carlos | Secretary (Non-<br>Member) | Executive                |

#### APPOINTMENTS COMMITTEE

| Name | Office | Type |
|------|--------|------|
|      |        |      |
|      |        |      |

**REMUNERATION COMMITTEE**

| Name | Office | Type |
|------|--------|------|
|      |        |      |
|      |        |      |

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

| Name | Office | Type |
|------|--------|------|
|      |        |      |
|      |        |      |

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

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

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

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

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

**Audit and Compliance Committee**

As set forth by Article 1 of the Audit and Compliance Committee Regulations it is a consultative and informative internal body of the Board of Directors having powers of information, consulting and proposal making. The Audit and Compliance Committee shall be governed by the present Regulations, as well as by all applicable laws, bylaws, and Board Regulations.

Organization

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

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

Operational rules

In accordance to Article 13 and 14 of the Audit and Compliance Committee Regulations, the operational rules of the Audit and Compliance Committee can be summarized as follows:

- a) At the beginning of each fiscal year the Audit and Compliance Committee approves the meetings ordinary calendar, at least four (4), with the aim of fulfilling the entrusted duties.

- b) The Committee shall be validly constituted when more than half of its members are either present or represented.
- c) Decisions shall be adopted by absolute majority of the Committee members attending the meeting, notwithstanding the concept of majority vote required by law or by Company Bylaws.

Committee deliberations and decisions shall be entered into a book of minutes, signed by the Chairman and the Secretary or those acting in their stead, and shall be approved by the Committee at the end of the meeting or at the following meeting.

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

### Responsibilities

Article 22 of the Corporate Bylaws, Article 18 of the Board of Directors Regulations and Article 5 of the Audit and Compliance Committee Regulations establish the main duties of the Audit and Compliance Committee.

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

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

- f) Supervise the financial reporting process and review the information that the Company must periodically and/or statutorily make available to the markets and their supervisory bodies, with the necessary level of detail as to ensure its accuracy, reliability, sufficiency and clarity.
- g) Maintain relationships with the auditors in order to receive information on any matters that may put their independence at risk and regarding any other matters concerning the audit process, as well as any other communications laid down by the audit legislation and technical audit standards, and act as a channel of communication between the Board of Directors and the auditors, assess the results of each audit and the management team's responses to its recommendations, and evaluate the cases of discrepancies between them, regarding the principles and criteria applicable to the drawing up of financial statements.
- h) In any event, it should receive from the auditors an annual confirmation of their independence from the Company or enterprises that are directly or indirectly related to it, as well as the information about the additional services of any type that have been provided to these entities by the auditors, or by the persons or entities linked to them, in accordance with the legislation on the auditing of financial statements.
- i) Prior to the auditor's report, issue an annual report expressing an opinion about the independence of the auditors. In any event, this report must contain an opinion on the provision of the additional services referenced in paragraph h) above.
- j) Check the content of the auditor's reports before they are issued, in order to make sure that their content and the opinions expressed therein about the annual accounts are drafted clearly and precisely, and oversee the fulfilment of the audit agreement.
- k) Ensure compliance with legal requirements and the correct application of generally accepted accounting principles, and inform the Board of any significant changes in accounting criteria and in both on- and off-balance sheet risks.
- l) Inform about the transactions that entail or could entail conflicts of interest or about the transactions with shareholders owning a significant stake and, in general, concerning the matters set forth in Chapter IX of these Regulations.
- m) Inform about the possible authorization or waiving to be granted by the Board to the Directors in accordance with Article 5.4.iii).e) of these Regulations.
- n) Approve transactions entailing a conflict of interest or transactions with a shareholder owning a significant stake, when requested by the Chairman of the Board of Directors, under the terms of, and in accordance with Articles 35.6 and 41.4 of these Regulations.
- o) Oversee compliance with the Internal Code of Conduct for the Securities Markets, with these Regulations and, in general, with the Company's rules of governance, and submit the proposals needed for their improvement.
- p) Receive information from the Statutory Compliance Unit regarding the aforementioned matters and, if necessary, issue reports on disciplinary measures to members of the Company's Top Management for not complying with the corporate governance obligations and/or the Internal Code of Conduct for the Securities Markets, and resolve any questions concerning corporate governance and its compliance which the Statutory Compliance Unit may raise in accordance with the Internal Code of Conduct for the Securities Markets.

- q) Bring the Annual Corporate Governance Report before the Board for its approval.
- r) Draw up an annual report on the Audit and Compliance Committee's activities.
- s) Supervise the operations of the Company's website in terms of making information on corporate governance publicly available.
- t) Provide information regarding matters within its competence on the Company's Sustainability Report or Social Responsibility Report for approval by the Board of Directors.
- u) Suggest amendments to the Regulations and inform about any amendments implemented, for approval by the Board of Directors.

### **Appointments and Remuneration Committee**

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

#### Organization

In accordance to Article 23 of the Bylaws of the company and Article 19 of the Board of Directors Regulations, the rules of organization of the Appointments and Remuneration Committee can be summarized as follows:

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

#### Operational rules

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

- a) The Appointment and Remuneration Committee shall meet at least four (4) times a year, and in any case whenever the Board of Directors or its Chairman requests the issuing of a report or the approval of proposals. In any event, it shall meet whenever it may be suitable to ensure that its functions are carried out properly, or when requested by two members of this Committee.

- b) Concerning the way the Appointment and Remuneration Committee is run internally, particularly concerning the way its meetings are called and the way it adopts resolutions, it shall be governed by the provisions laid down for the Board of Directors in the Bylaws and the Board of Directors Regulations for matters not foreseen in its specific regulations, as long as they are compatible with the Committee's nature and functions.

### Responsibilities

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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:**

| <b>Name of Committee</b>                | <b>Brief description</b> |
|---|--------------------------|
| Audit and Compliance Committee          | See B.2.3                |
| Appointments and Remuneration Committee | See B.2.3                |

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

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

The Audit and Compliance Committee Regulations were approved by the GAMESA CORPORACIÓN TECNOLÓGICA, S.A. Board of Directors on 29 September, 2004, and were modified in the meeting of the Board of Directors of October 21, 2008.

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

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

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

**Yes** ≥

**No** ≥

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

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

## **C** RELATED-PARTY TRANSACTIONS

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

Yes **X**

No

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

| <b>Name or trade name of the significant shareholder</b> | <b>Name or trade name of the company or organization belonging to your group</b> | <b>Nature of the relationship</b> | <b>Type of transaction</b>      | <b>Amount (thousand euros)</b> |
|--|--|-----------------------------------|---------------------------------|--------------------------------|
| IBERDROLA, S.A.  | GAMESA EÓLICA, S.L.U.  | CONTRACTUAL                       | SALE OF GOODS                   | 801,428                        |
| IBERDROLA, S.A.  | GAMESA ENERGÍA, S.A.U.   | CONTRACTUAL                       | SALE OF NON-CURRENT INVESTMENTS | 192,530                        |

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

| <b>Name or trade name of the administrators or executives</b> | <b>Name or trade name of the company or organization belonging to your group</b> | <b>Nature of the transaction</b> | <b>Type of transaction</b> | <b>Amount (thousand euros)</b> |
|---|--|----------------------------------|----------------------------|--------------------------------|
| <b>SEE SECTION C.2</b>  | <b>SEE SECTION C.2</b>   | <b>SEE SECTION C.2</b>           | <b>SEE SECTION C.2</b>     | <b>SEE SECTION C.2</b>         |

**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:**

| <b>Trade name of the company belonging to your group</b> | <b>Brief description of the transaction</b> | <b>Amount (thousand euros)</b> |
|--|---|--------------------------------|
|  |   |                                |

**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 X**

**No  $\geq$**

| <b>Name or trade name of the director</b> | <b>Description of the situation of conflict of interest</b>   |
|---|---|
| IBERDROLA, S.A.                           | According to the procedure established in Article 35 of the Board of Directors Regulations of GAMESA CORPORACIÓN TECNOLÓGICA, S.A., in those meetings of the mentioned body in which agreements about operations with IBERDROLA, S.A. and/or companies of its group, have been deliberated or, if applicable, have been adopted, the person representing Iberdrola, S.A. has not participated in the deliberations, voting, decision making and execution of the respective agreement.<br>As happened in the meeting of the Board of Directors of January 27, 2010.   |
| Velasco Gómez, Pedro                      | According to the procedure established in Article 35 of the Board of Directors Regulations of GAMESA CORPORACIÓN TECNOLÓGICA, S.A., in those meetings of the mentioned body and of the Audit and Compliance Committee in which agreements about operations with IBERDROLA, S.A. and/or companies of its group, have been deliberated or, if applicable, have been adopted, he has been absent from the meeting and has not participate in the deliberations, voting, decision making and execution of the respective agreement.<br>As happened in the meeting of the Audit and Compliance Unit of January 26, 2010 and of the Board of Directors of January 27, 2010. |
| Arregui Ciarsolo, Juan Luis               | According to the procedure establishes in Article 35 of the Board of Directors Regulations of GAMESA CORPORACIÓN TECNOLÓGICA, S.A., in those meetings of the mentioned body until April 21, 2010, date on which his change of character from External Proprietary to "Other External Directors" was approved, in which agreements about operations with IBERDROLA, S.A. and/or companies of its group, have been deliberated or, if applicable, have been adopted, he has not participate in the deliberations, voting, decision making and execution of the respective agreements.   |

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

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

Mechanisms:

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

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

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

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

a) obtain a report from the Chief Executive Officer containing (i) a justification for the transaction (ii), an alternative to the Director or Related Party bringing about the transaction; and

b) whether the affected assets or the transaction's complexity so require it, the Board may request the advice of outside professionals, in conformance with the procedure for this as set out in these Regulations.

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

a) the regular and ongoing nature of the operation, along with its financial significance and the amounts involved;

b) the need to set up control mechanisms covering the operation, due to its characteristics or nature;

c) criteria of equality, objectivity, confidentiality and transparency in the providing and supply of information, when the alternative includes an offer directed to a group; and

d) the transaction price and maximizing value for shareholders.

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

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

The executive personnel and any other personnel of the Company and its group that, because of their activity (hereafter, Related Parties), are included by the Regulatory Compliance Unit, are submitted to the rules included in the Rules of Procedure in the Securities Market of GAMESA CORPORACIÓN TECNOLÓGICA, S.A., wording that was approved by the Board of Directors on July 22, 2003, and was modified by the Board of Directors on October 21, 2008.

The Rules of Procedure in the Securities Market states on Article 14 that the rest of Related Parties must immediately disclose any situations that could represent potential conflicts of interest to the Regulatory Compliance Unit, as well as continually updating such information. Such situations are those that may arise from a person's other activities outside the Company and/or group, family relations, personal assets or for any other reason. This all stands without prejudice to the application of the Company's Code of Conduct as well as all rules of conduct applying to group employees.

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

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

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

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

See note (C.6) in section G contained herein.

**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** ≥

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

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

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

## **D RISK CONTROL SYSTEMS**

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

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

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

This policy has the following main objectives:

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

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

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

- Management Committee (General, Corporate and Geographic Directorates): As owners of the risk/opportunities linked to the developed activities, processes and projects, is responsible of the mitigation/elimination of them counting for that purpose with the support of the Risk Controllers network (this network is integrated by a team of persons appointed in each of the Directorates in which priority identified Risk/Opportunities exist.
  - Internal Audit: Carries out the independent supervision of the system control and reports to the Audit and Compliance Committee.
  - Corporate Risk Control Department (BRC): Defines the guidelines and coordinates activities with the network of Risk Controllers and with the responsible persons for the risk control BRC in the different geographical areas. During the fiscal year 2010, the department has started to report directly to the Internal Audit.
- **Risks Management and Control Model:** The Risks and Opportunities Control and Management Model starts from the risks classification according to the universal model "Business Risk Model (BRM)", approved by the Board of Directors in 2004, which considers and groups the risks in the following categories:
    - Setting Risks. Appear as a consequence of factors that are external and independent from the management of the company and that may influence directly or not in a significant way in the achievement of its objectives and strategies.
    - Processes Risks. The risks derived from the corresponding activity of the company. At the same time they are classified in Operational Risks, Management Risks, Technological Risks/Information Processes, Integrity Risks and Financial Risks.
    - Decision Making Information Risks. The risks that the information for the operational, financial or strategic is not reliable and/or complete.

To identify, evaluate, prioritize and control the risks/opportunities to which GAMESA CORPORACIÓN TECNOLÓGICA, S.A. is exposed and decide in which measure those specific risks/opportunities are accepted, mitigated/strengthened, transferred/shared or avoided, there is a Risks/Opportunities Management and Control Procedure, approved in 2008 and was included in the certified management system. Since that moment it is reviewed every year, and if applicable, it is updated including improvements, good practices and lessons learnt from the experience and the benchmarking internal/external activities. The model BRM, is integrated in this procedd, as well as the good practices of methodologies and international approved referential as COSOII, ISO 31000, among others.

- **Other procedures and information systems:** As follows other procedures that also develop and spread the model are described
  - Crisis management procedure, being its object to coordinate the internal and external communication, agree the immediate actions and establish the management monitoring of serious incidents (Operational, strategic, ethics security, catastrophes and other emerging risks), and of the restraint measures to avoid that the consequences of the detected incidents may grow.
  - Integrated Management System Procedures, in compliance with the Rules ISO 9001, ISO 140001 and OHSAS 18001, for the standardization of processes and control mechanisms.
  - Procedure to carry out benchmarking activities of risk control.

- Internal Audit Manual and other rules for the specific diagnosis making, as checking and risk control tools.
- Insurance Manual, as tool to guarantee the coverage of the risk derived of the industrial activity.
- In the different information systems used to assure the reliability and the tracking of the information in the risk management is to be found, among others, data bases, command settings, indicators associated to the risks, computer applications as corporate ERP and GIS (Integral Security Management).

The applied methodology entails a **map of corporate risks/opportunities**, which is annually updated monitoring the financial, tax, operational, strategic, legal risks/opportunities, and the activities, processes, projects, products and key services throughout all the business to evaluate on each quarter if changes in this map shall be necessary or not. Likewise specific maps for the principal industrial/commercial implantation geographical areas are being developed. This way, GAMESA CORPORACIÓN TECNOLÓGICA, S.A. carries out a continuous monitoring of the most relevant risks/opportunities, which is those that may commit the achievement of the business goals, and that may affect the economic profitability, financial solvency, corporate reputation, employees and environmental integrity and the fulfilment of the law.

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

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

**The risks/opportunities identified and monitored during 2010 are the following:**

- The deviation in the sales of the group under the guidance predicted at the beginning of 2010, result of the uncertainty in the regulation in some areas in which GAMESA CORPORACIÓN TECNOLÓGICA, S.A. operates and of the financing capacity of some clients, caused that at the middle of the year some commercial objectives were reviewed adapting them to the environment, so that the new guidance has been successfully achieved. Different initiatives have contributed to the sales achievement and to the creation of value for the client, like reinforcement of the Commercial network, improvements in the commercial management processes, more proximity to the client, relocation and segmentation by product and client.
- In this context of uncertain and less regular demand, the work has continued in the flexibility of the operations controlling the adaptation of the planning and manufacture to satisfy the demand in quantity, quality, cost and time, through, among other measures, industrial reconfigurations.
- Aligned with the new Strategic Plan 2011-2013, special attention has been given to the control of technological risks/opportunities , adequate market and product characteristics (regulatory requirements, product specifications) selection, compliance of "time to market" (specially in G10X, G94, G97 and Offshore), and the minimization of costs and COE.
- The Environment, Safety and Health of the information areas are still strengthening the work lines orientated to excellence, applying the same control levels in all the business units and geographical areas.

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

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

As part of the periodical revision and verification of the map, auditing and specific diagnosis to the risks included in the map are being carried out, so that an important part of the 2010 map risks have been audited and consequently appropriate amendments have been included in it.

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

In the general balance of the year 2010 an improvement in the control level of the majority of the processes is confirmed and a progressive mitigation dynamic of specific risks and closing of some of them.

It should be pointed out that along the fiscal year other complementary activities for the development and maintenance activities of the Risk and Opportunities Control and Management System have been carried out and the following shall be remarked:

- Development of a new procedure for the business continuity management (according to rule BS 25999) that as a guide makes the elaboration of continuity plans easier.
- Updating of the Risks/Opportunities Management and Control Procedure and training of it to the BRC network, review and validation of the new criteria for the evaluation of the impacts in case of risk/opportunity adding to the existing one other specific criteria related to operations, strategy, non fulfilments of legal obligations, safety of information, corruption and/or bribery, labour impact.
- The verification that is yearly done by an external company to the risks management section included in the Sustainability Report has been carried out by AENOR in 2010. Additionally, the department BRC, the network and the management method has been internally audited verifying the application level.
- Maintenance of the Risks and Opportunities Control Committee.
- Supervision from the Audit and Compliance Committee.
- Enlargement of the responsibilities of the UCN (Regulatory Compliance Unit) as support and reinforcement to the legal requirements compliance, establishing this control improvement through a new procedure (see detail in D.3. and D.4)

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

**Yes X**

**No ≥**

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

| <b>Risk that has come about during the year</b>  | <b>Circumstances that have led to it</b>   | <b>Functioning of the control systems</b>   |
|--|--|---|
| Deviation in the sales of the group under the guidance predicted at the beginning of the year 2010.<br>Sales contraction | <ul style="list-style-type: none"> <li>• Regulatory uncertainty based mainly in the changes in the register system of Pre-assignment in Spain, uncertainty about the regulation of the "green certificates" in Italy and about the impulse in the north American law for the definition of the policy for the wind energy sector.</li> <li>• The financial crisis has made the access to financing of constructors more difficult and has required moderation in the investments and in the debt capacity of strategic clients, having as result a more slow investment decision making.</li> <li>• The competitive environment in some geographical areas has been the general cause of strong pressure on the prices.</li> </ul> | The control processes and systems in the different areas have worked adequately. Which is basically translated into: <ul style="list-style-type: none"> <li>• Different initiatives that have contributed in the achievement of sales and the value creation for the client, like the reinforcement of the Commercial network, improvements in the commercial management processes, more proximity to the client, relocation and segmentation by product and client.</li> <li>• Production adaptation to the deliveries through a demand synchronization process.</li> <li>• Costs improvements program (PMC 500) that has partially compensated the impact in the margins because of the minor takeover of fixed expenses and to the price pressure in some environments.</li> <li>• Industrial reconfiguration.</li> <li>• International sizing.</li> </ul> |

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

**Yes X**

**No**

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

| <b>Name of Committee or Body</b>      | <b>Description of functions</b>  |
|---------------------------------------|--|
| <b>Board of Directors</b>             | The Company's highest decision-making, oversight and control body which examines and authorizes all relevant operations. It exercises the responsibility that can not be delegated, of supervision, which cannot be delegated, and is ultimately responsible for identifying the main risks affecting the Company. Is also responsible for the approval of the general politics and strategies of the Company and in particular, the identification, control and management of risks, as well as for the periodic monitoring of the main internal control and information systems.   |
| <b>Chairman and CEO</b>               | 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.   |
| <b>Audit and Compliance Committee</b> | <p>The Board of Directors has entrusted this Committee with these duties, among others:</p> <ul style="list-style-type: none"> <li>• Supervise the financial information process, and review the periodic and/or obligatory information that the Company shall disclose to the markets and its supervision bodies, with the needed depth to confirm its correction, liability, sufficiency and clarity.</li> <li>• Supervise the efficiency of the Company's internal control system and the risk management systems, as well as analyze with the accounts auditors the significant weaknesses of the internal control system that have been recognized, if appropriate, in the development of the auditing.</li> <li>• Assure that the risks control and management policy identifies the different types of risks (operational, technological, financial, legal, reputation, etc.) that the Company must confront, including among the financial or economic, the contingent liabilities and other risks out of the balance sheet.</li> <li>• Supervise the fixation and review of the map and risk level that is accepted by the Company, as well as the previewed measures to mitigate the impact of identified risks, if they shall materialize.</li> </ul> <p>The Committee is supported by Internal Auditing and Risks Control (BRC) when it comes to assessing and improving existing internal controls.</p> |

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

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

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

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

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

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

During 2010 the specific function "Global Compliance" has been given a specific procedure and has started its functioning under the responsibility of the Regulatory Compliance Unit (UCN), that reporting to the Management Committee and the Audit and Compliance Committee, and with a collegiate character (General Secretariat, Internal Auditing and Legal Affairs) has the objective of making easier the vigilance of the fulfilment of the legal requirements of the different regulations: corporate-civil, wind energy business, customs, competence, intellectual and industrial property, labour, safety and health, environment, transport, products and materials, securities market, data protection and assets, tax and accountancy security. Indicators for the adequate report of the level of fulfilment and knowledge in each regulation sector have been established, as well as of the real or potential non fulfilments that the new regulations can lead and of the eventual sanctions derived from them. This function has a permanent coordination with the BRC network.

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

**E GENERAL SHAREHOLDERS' MEETING**

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

Yes  No

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

|                                       |
|---------------------------------------|
| <b>Description of the differences</b> |
|                                       |

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

Yes  No

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

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

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

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

In this regard, shareholder rights are set forth in detail in the General Shareholders' Meeting Regulations, which were approved 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 ([www.gamesacorp.com](http://www.gamesacorp.com)).

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

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

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

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

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

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

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

existing channels of information between the Company and its shareholders and through which they may request details about the Meeting.

More precisely, on April 23, 2010 the following documents were published in the corporate website of the company:

- Notice of call to the Shareholders' General Meeting,
- Significant event (*hecho relevante*) reported to the National Securities Market Commission (*Comisión Nacional del Mercado de Valores*) of the call to the General Shareholders' Meeting,
- Agenda,
- Proposed resolutions included on the Agenda,
- Annual accounts, management report and audit report, individual and consolidated,
- Directors' liability statement,
- Report regarding the proposal of a capital increase by means of a scrip issue,
- Professional and biographical data of Mr. Luis Lada Díaz for the ratification as External Independent Director,
- Professional and biographical data of Ms. Benita Ferrero-Waldner for the ratification as "Other External Directors",
- Report regarding the proposal of delegation to the Board of Directors of the possibility of carrying out an increase of authorized capital,
- Report regarding the proposal of delegation to the Board of Directors of the possibility of issuing bonds or simple debentures, notes and other fixed-income securities of a like nature, as well as preferred stock,
- Report regarding the proposal of delegation to the Board of Directors of the possibility of issuing debentures or bonds that are exchangeable for and/or convertible and warrants on shares,
- Report regarding the proposal of relocation of the registered office and amendment of Article 1 of the By-Laws,
- Report regarding the proposal of amendment of Articles 12.2 and 17 of the By-Laws,
- Report about the amendments of the Regulations of the Board of Directors approved by the Board of Directors on February 24, 2010 and on April 21, 2010,
- Explanatory report regarding aspects of the equity structure and the governance and control system of the Company set forth in Section 116 bis of the Securities Market Law,
- Annual report regarding the remuneration policy applicable to the Board of Directors,
- Annual Corporate Governance Report of 2009;
- Sustainability report of 2009,
- Annual activities report of the Audit and Compliance Committee of 2009,
- Shareholders' guide;
- Current restated text of the By-Laws,
- Current restated text of the Regulations of the Board of Directors.

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

The same bilingual character may be predicated from the electronic vote system. In 2010, as it was done for the first time in the year 2008, this mechanism was at disposal of the shareholders, in Spanish and in English, from the very same moment of the publication of the General Shareholders Meeting Call.

In order to make it easier for shareholders to exercise their entitlement to vote and designate proxies, as well as their right to receive information through remote means of communication, the Board of Directors has approved, on the occasion of the call of the General Shareholders Meeting, the Regulations on Exercising the Rights of Remote Information, Voting and Proxies for Gamesa

Corporación Tecnológica, S.A.'s General Shareholders Meetings pursuant to the provisions laid down in Articles 179 to 190 of the Capital Companies Law (*Ley de Sociedades de Capital*), Articles 13 and the following in the Corporate Bylaws and Articles 10 and the following of the General Shareholders' Meeting Regulations. These Regulations have the main objective of preciseness, precision and clarification of aspects related to the instruments of information of the shareholders and the exercise of the voting rights and the designation of proxies by remote means of communication.

Finally, in order that the financial intermediaries can appear legitimated as shareholders, but acting on behalf of diverse clients, can vote according to the instructions of these, the Article 24.8 of the Rules of the General Meeting of Shareholders states that "*whenever legally permissible and when the necessary guarantees of transparency and protection exists, and when the board of directors so decides, the vote may be fractioned in order that the financial intermediaries who appear legitimized as shareholders but who act on behalf of different clients may fraction their vote in accordance with the instructions of said clients.*"

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

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

**Yes X**

**No  $\geq$**

| <b>Give details on the measures</b>  |
|--|
| <p>The Board of Directors has, at its own initiative, customarily requested the presence of a Notary Public at the General Meeting to attend and certify the meeting (Articles 18.5 and 18.6 of the General Shareholders' Meeting Regulations).</p> <p>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.</p> |

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

During the financial year 2010 there have been no modifications of the General Shareholders' Meeting Regulations of GAMESA CORPROACI3N TECNOL3GICA, S.A. Its current wording is the one approved by the General Shareholders Meeting of GAMESA CORPORACI3N TECNOL3GICA, S.A. on May 25, 2007.

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

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

| <b>Attendance details</b>      |                              |                   |                          |               |               |
|--------------------------------|------------------------------|-------------------|--------------------------|---------------|---------------|
| <b>Date of General Meeting</b> | <b>% attending in person</b> | <b>% by proxy</b> | <b>% remote voting</b>   |               | <b>Total</b>  |
|                                |                              |                   | <b>Electronic voting</b> | <b>Others</b> |               |
| <b>05-28-2010</b>              | <b>22.70%</b>                | <b>33.06%</b>     | <b>0.00%</b>             |               | <b>55.76%</b> |

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

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

Item One on the Agenda: Examination and approval, if applicable, of the individual annual accounts (balance sheet, profit and loss account, statement of changes in shareholders' equity, statement of cash flows and annual report) of Gamesa Corporación Tecnológica, Sociedad Anónima, and of the consolidated annual accounts with its dependent companies (balance sheet, profit and loss account, statement of changes in shareholders' equity, statement of cash flows and annual report), for the fiscal year ended on December 31, 2009.

| <b>Votes in favour</b> | <b>Votes against</b> | <b>Abstentions</b> |
|------------------------|----------------------|--------------------|
| <b>89.15 %</b>         | <b>0.03 %</b>        | <b>10.82 %</b>     |

Item Two on the Agenda: Examination and approval, if applicable, of the individual management report of Gamesa Corporación Tecnológica, Sociedad Anónima, and of the consolidated management report with its dependent companies for the fiscal year ended on December 31, 2009.

| <b>Votes in favour</b> | <b>Votes against</b> | <b>Abstentions</b> |
|------------------------|----------------------|--------------------|
| <b>89.60 %</b>         | <b>0.02 %</b>        | <b>10.38 %</b>     |

Item Three on the Agenda: Examination and approval, if applicable, of the management and actions of the Board of Directors during the fiscal year ended on December 31, 2009.

| <b>Votes in favour</b> | <b>Votes against</b> | <b>Abstentions</b> |
|------------------------|----------------------|--------------------|
| <b>89.53 %</b>         | <b>0.01 %</b>        | <b>10.46 %</b>     |

Item Four on the Agenda: Re-election of the auditor of the Company and its consolidated Group for the fiscal year 2010.

| <b>Votes in favour</b> | <b>Votes against</b> | <b>Abstentions</b> |
|------------------------|----------------------|--------------------|
| <b>95.01 %</b>         | <b>4.95 %</b>        | <b>0.04 %</b>      |

Item Five on the Agenda: Examination and approval, if applicable, of the proposal for the allocation of profit/losses, for the fiscal year ended on December 31, 2009.

| <b>Votes in favour</b> | <b>Votes against</b> | <b>Abstentions</b> |
|------------------------|----------------------|--------------------|
| <b>89.57 %</b>         | <b>0.01 %</b>        | <b>10.42 %</b>     |

Item Six on the Agenda: Approval, for the free-of-charge allocation of the ordinary shares issued to the shareholders of the Company, of an increase in share capital by means of a scrip issue at a maximum reference market value of twenty nine (29) million euros. The shareholders will be offered the acquisition of their free-of-charge allocation rights at a guaranteed price. Express provision for the possibility of an incomplete allocation. Application for admission of the resulting shares to listing on the Bilbao, Madrid, Barcelona and Valencia Stock Exchanges, through the Automated Quotation System (Sistema de Interconexión Bursátil). Delegation of powers to the Board of Directors, including the power to amend Article 4 of the By-Laws.

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

Item Seven on the Agenda: Ratification of the appointment as Director of Mr. Luis Lada Díaz made by cooption after the holding of the last Shareholders' General Meeting, as an External Independent Director.

| <b>Votes in favour</b> | <b>Votes against</b> | <b>Abstentions</b> |
|------------------------|----------------------|--------------------|
| <b>99.20 %</b>         | <b>0.01 %</b>        | <b>0.79 %</b>      |

Item Eight on the Agenda: Ratification of the appointment as Director of Ms. Benita Ferrero-Waldner made by cooption after the holding of the last Shareholders' General Meeting, as "Other External Directors".

| <b>Votes in favour</b> | <b>Votes against</b> | <b>Abstentions</b> |
|------------------------|----------------------|--------------------|
| <b>74.28 %</b>         | <b>23.37 %</b>       | <b>2.35 %</b>      |

Item Nine on the Agenda: Authorization to the Board of Directors, pursuant to the provisions of Section 153.1.b) of the Companies Law, so that, within a maximum term of five years, and if it so deems appropriate, it may increase the share capital by up to one-half of the current share capital, on one or more occasions, and at the time and in the amount that it deems appropriate, with an allocation of the power to exclude pre-emptive rights, replacing the text of Article 4 of the By-Laws.

| <b>Votes in favour</b> | <b>Votes against</b> | <b>Abstentions</b> |
|------------------------|----------------------|--------------------|
| <b>85.25 %</b>         | <b>12.93 %</b>       | <b>1.82 %</b>      |

Item Ten on the Agenda: Authorization to the Board of Directors, with the express power of delegation, for the derivate acquisition of the Company's own shares by the Company itself or by its subsidiaries, upon the terms provided by applicable law, for which purpose the authorization granted by the shareholders at the Shareholders' General Meeting of May 29, 2009, is hereby deprived of effect to the extent of the unused amount.

| <b>Votes in favour</b> | <b>Votes against</b> | <b>Abstentions</b> |
|------------------------|----------------------|--------------------|
| <b>98.81 %</b>         | <b>1.14 %</b>        | <b>0.05 %</b>      |

Item Eleven on the Agenda: Delegation to the Board of Directors, for a term of five (5) years, of the power to issue: a) bonds or simple debentures and other fixed-income securities of a like nature (other than notes), as well as preferred stock, up to a maximum amount of seven hundred (700) million euros, and b) notes up to a maximum amount at any given time, independently of the foregoing, of three hundred (300) million euros; and authorization for the Company to guarantee, within the limits set forth above, new issuances of securities by subsidiaries.

| <b>Votes in favour</b> | <b>Votes against</b> | <b>Abstentions</b> |
|------------------------|----------------------|--------------------|
| <b>98.82 %</b>         | <b>1.13 %</b>        | <b>0.05 %</b>      |

Item Twelve on the Agenda: Delegation to the Board of Directors, for a term of five (5) years, of the power to issue debentures or bonds that are exchangeable for and/or convertible into shares of the Company, and warrants on newly-issued or outstanding shares of the Company, up to a maximum limit of seven hundred (700) million euros. Establishment of the standards for determining the basis for and terms and conditions applicable to the conversion, exchange or exercise. Delegation to the Board of Directors of the powers required to establish the basis for and terms and conditions applicable to the conversion, exchange or exercise, as well as, in the case of convertible debentures and bonds and warrants on newly-issued shares, of the power to increase share capital to the extent required to accommodate requests for the conversion of debentures or for the exercise of warrants, with an allocation of the power to exclude pre-emptive rights of the shareholders of the Company.

| <b>Votes in favour</b> | <b>Votes against</b> | <b>Abstentions</b> |
|------------------------|----------------------|--------------------|
| <b>98.15 %</b>         | <b>1.69 %</b>        | <b>0.16 %</b>      |

Item Thirteen on the Agenda: Relocation of the registered office of the Company and amendment of Article 1 of the By-Laws.

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

Item Fourteen on the Agenda: Amendment of Articles 12.2 and 17 of the By-Laws.

| <b>Votes in favour</b> | <b>Votes against</b> | <b>Abstentions</b> |
|------------------------|----------------------|--------------------|
| <b>89.58 %</b>         | <b>0.01 %</b>        | <b>10.41 %</b>     |

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

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

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

Yes

No

|  |          |
|--|----------|
| <b>Number of shares needed to attend the General Meeting</b> | <b>1</b> |
|--|----------|

**E.10 State and justify the policies followed by the company concerning proxy voting at the General Meeting.**

According to Article 13 of the Bylaws and 15 of the General Shareholders Meeting Regulations, shareholders with the right to attend may give a proxy to another shareholder or exercise their right to vote by post, by sending the attendance card obtained in accordance with the Bylaws and the General Shareholders Meeting Regulations.

Likewise, they may also exercise the above mentioned rights by means of electronic communications or other distance communication means provided this is so resolved by the Board of Directors due to the necessary technical conditions being in place. In such a case, the Board must specify on the company website the means which can be used to that end, which must meet the necessary security conditions to guarantee the Shareholders' identity, the effectiveness of their rights and the proper carrying out of the Meeting.

The voting and representation rights must in any event be exercised by means of the distance communication means resolved by the Board of Directors and indicated on the website.

As it is stated in Article 15.2 of the General Shareholders Meeting Regulations, the Board of Directors is expressly authorised so that, prior to the publication of the General Meeting call announcement it can agree the procedure, requirements, systems and periods for the exercise of vote via email or other remote communication methods. The Company's Webpage will have to contain that agreed by the Board of Administration for these purposes.

It is to highlight that the Board of Directors of GAMESA CORPORACIÓN TECNOLÓGICA, S.A. puts on disposal of the shareholders on the moment of the General Shareholders Meeting call, a document including the Regulations on Exercising the Rights of Remote Information, Voting and Proxies for GAMESA CORPORACIÓN TECNOLÓGICA, S.A.'s General Shareholders Meetings, pursuant to what was done at call of the General Shareholders Meeting that took place on May 28, 2010.

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 179 of the Capital Companies Law (*Ley de Sociedades de Capital*) 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

| <b>Describe the policy</b>   |
|--|
| <p>The company has knowledge about the participation policy in Shareholders' General Meeting of those relevant institutional investors (of a significant size for the company) and those with whom the company has an established relationship.</p> <p>The non alternative institutional investors participate, in its majority, in the resolutions of the company delegating the voting decision in favor or against those items included in the agenda to consultancy experts in corporate governance and/or representation. The voting recommendations of the external advisor that may be not in favor are analyzed and internally reconsidered before issuing the final vote.</p> |

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

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

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

During the financial year 2010 the website of Gamesa has continued with its improvement process with the purpose of strengthen its use as an information mechanism distinguishing the obligatory information from the non obligatory. And more precisely, the launch of the new design of the aforementioned website in the month of October of 2010 has also carried out a profound revision as well as a detailed updating of all the information.

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

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

Additionally, the Internal Audit Unit (with annual regularity and always after the celebration of the General Shareholders Meeting) prepares a report about the corporate website, report that is passed to the Audit and Compliance Committee. Specifically in the meeting of the Audit and Compliance Committee of November 10, 2010 the Internal Audit Director presented the above mentioned report with an Action Plan prepared and presented on the Committee by the General Secretariat in coordination with the Internal Audit Unit.

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

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

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

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

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

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

Complies  Explain

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

See sections: C.4 and C.7

Complies  Partially complies  Explain  Not applicable

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

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

Complies X      Partially complies       Explain

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

Complies X      Explain

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

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

See section:      E.8

Complies X      Partially complies       Explain

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

See section:      E.4

Complies X      Explain

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

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

Complies  Partially complies  Explain

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

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

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

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

**b) The following decisions:**

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

See section: B.1.14.

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

See section: B.1.14.

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

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

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

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

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

See sections: C.1 and C.6

Complies X Partially complies  Explain

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

See section: B.1.1

Complies X Explain

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

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

Complies X Partially complies  Explain

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

See section: B.1.3

Complies X Explain  Not applicable

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

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

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

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

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

Complies X Explain

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

See section: B.1.3

Complies X Explain

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

See sections: B.1.3 and B.1.4

Complies X Partially complies  Explain

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

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

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

Complies X      Partially complies       Explain       Not applicable

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

See section: B.1.42

Complies X      Partially complies       Explain

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

See section: B.1.21

Complies X      Partially Complies       Explain       Not applicable

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

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

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

See section: B.1.34

Complies X      Partially complies       Explain

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

See section: B.1.29

Complies X      Partially complies       Explain

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

See sections: B.1.28 and B.1.30

Complies X      Partially complies       Explain

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

Complies X      Partially Complies       Explain       Not applicable

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

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

See section: B.1.19

Complies X Partially complies  Explain

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

See section: B.1.42

Complies X Explain

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

See section: B.1.41

Complies X Explain

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

Complies X Partially complies  Explain

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

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

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

Complies  Partially complies  Explain

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

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

See section: B.1.2

Complies  Partially complies  Explain

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

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

Complies  Partially complies  Explain

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

See section: B.1.2

Complies  Explain

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

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

Complies X Partially complies  Explain

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

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

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

Complies X Explain

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

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

See sections: B.1.43 and B.1.44

Complies 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      Explain       Not applicable

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

Complies X      Explain       Not applicable

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

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

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

See section:      B.1.16

Complies       Partially complies X      Explain

Explanation: The Board of Directors of GAMESA CORPORACIÓN TECNOLÓGICA, S.A., prepared in 2010 a report on the remuneration policy for the current year and the application of the current remuneration policy in the previous year. This report was placed at the shareholders' disposal for the announcement of the General Shareholders' Meeting, for their knowledge, according to the current law (Article 31.4 of the Board of Directors Regulations; Article 26.3 paragraph two of the Board of Directors Regulations in force at the time of its elaboration).

**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 applicable 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  Explain  Not applicable 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  Explain

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

Complies  Explain

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

Complies  Explain

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

Complies  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  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  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  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  Partially complies  Explain

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

See section: B.1.32 and B.1.38

Complies X Partially complies  Explain

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

See section: B.2.1

Complies X Explain  Not applicable

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

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

See section: B.2.3

Complies X Partially Complies  Explain  Not applicable

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

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

Complies X      Partially Complies       Explain       Not applicable

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

**a) Proposing to the Board of Directors:**

- i) Directors' and senior executives' remuneration policy;**
- ii) The individual remuneration for executive directors, along with their contract conditions;**
- iii) Basic contract conditions for senior executives.**

**b) Ensuring the remuneration policy laid down by the company is observed.**

See sections:      B.1.14 and B.2.3

Complies X      Partially Complies       Explain       Not applicable

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

Complies X      Explain       Not applicable

## **G OTHER INFORMATION OF INTEREST**

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

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

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

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

In order to complement the information supplied in Section A.2, it should be pointed out that the companies BLACKROCK, INC. and CASA GRANDE DE CARTAGENA, S.L. Unipersonal are not significant shareholders of GAMESA CORPORACIÓN TECNOLÓGICA, S.A. anymore, from the date indicated in the Section A.2, having reduced its shareholding under the minimum limit of three per cent (3%) that is established in the Royal Decree 1362/2007.

In order to complement the information supplied in the Section A.2. it should be pointed out that during the fiscal year ended on December 31, 2010 the significant shareholder IBERDROLA, S.A. has carried out 50 different movements of purchase of shares of GAMESA CORPORACIÓN TECNOLÓGICA, S.A., of which only the movement that increased its shareholding over 15% of the share capital of GAMESA CORPORACIÓN TECNOLÓGICA, S.A. is included in section A.2.c. The detail of all acquisitions, after its due communication, is to be found in the registers of the National Securities Market Commission (*Comisión Nacional del Mercado de Valores*).

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

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

- a) Mr. Pascual Fernández Martínez that, until his resignation on February 24, 2010, was member of the Board of Directors of GAMESA CORPORACIÓN TECNOLÓGICA, S.A., is the holder of thirty (30) shares of the company.
- b) Mr. José Miguel Alcolea Cantos, representative person of IBERDROLA, S.A. in the Board of Directors of GAMESA COPORACIÓN TECNOLÓGICA, S.A., is not the holder of any share of the company.

**(A.8)**

In order to complement the information supplied in Section A.8, it should be pointed out that GAMESA CORPORACIÓN TECNOLÓGICA, S.A. received 29,999 own shares during the fiscal year 2010 in virtue of the execution of the "Flexible Dividend" that the Shareholders' General Meeting of GAMESA CORPORACIÓN TECNOLÓGICA, S.A approved on May 28, 2010.

It should be also pointed out that the number of shares of GAMESA CORPORACIÓN TECNOLÓGICA, S.A. owns indirectly through an equity swap agreed with BANCO SANTANDER, S.A. increased on 18,250 shares in virtue of the execution of the "Flexible Dividend" that the Shareholders' General Meeting of GAMESA CORPORACIÓN TECNOLÓGICA, S.A approved on May 28, 2010.

**(A.9)**

In order to complement the information supplied in Section A.9, it should be pointed out that the Article 75 of the Public Companies Law (*Ley de Sociedades Anónimas*) referred in the item ten of the agenda of the Shareholders' General Meeting of May 28, 2010, item that is literally transcribed in the aforementioned paragraph 9, is the Article 146 of the Capital Companies Law (*Ley de Sociedades de Capital*) law that came into force after the revocation of the Public Companies Law (*Ley de Sociedades Anónimas*).

**(B.1.2)**

In order to complement the information supplied in Section B.1.2, it should be pointed out that the date of the last appointment of the members of the Board of Directors that is included in the table of members of the Board of Directors is referred to their last uninterrupted appointment as member of the aforementioned Board. This way it should be pointed out that the Chairman, Mr. Jorge Calvet Spinatsch was appointed for that post by agreement of the Board of Directors of date October 8, 2009; the Deputy Chairman, Mr. Juan Luis Arregui Ciarsolo, was appointed for that post by agreement of the Board of Directors of date April 21, 2010; and the Lead Independent Director, Mr. Carlos Fernández-Lerga Garralda, was appointed for that post by agreement of the Board of Directors of April 21, 2010

In order to complement the information supplied in Section B.1.2, it should be pointed out that Mr. Carlos Fernández-Lerga Garralda resigned as Deputy Secretary of the Board of Directors on March 24, 2010. The resignation was a consequence of its appointment as Chairman of the Appointment and Remuneration Committee approved on March 22, 2010 by the aforementioned Committee, after resigning also as Secretary non member of the same Committee.

In order to complement the information supplied in Section B.1.2, it should be pointed out that according to the Significant Event 138165 sent to the CNMV on February 14, 2011, the external independent Director Mr. Santiago Bergareche Busquet resigned, through a letter addressed to the Company and received on February 11, 2011, as Member of the Board of Directors and of the Appointment and Remuneration Committee because of strict personal reasons related to the dedication that his responsibilities in other companies demand him.

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

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

#### **EXECUTIVE DIRECTORS**

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##### **Jorge Calvet Spinatsch**

Born in Madrid, he is Chairman and Chief Executive Officer of GAMESA CORPORACIÓN TECNOLÓGICA, S.A. He joined the Board of Directors of GAMESA CORPORACIÓN TECNOLÓGICA, S.A. in October 2005 as an independent Board member. In 2007, he was appointed Vice Chairman of the Corporation. Additionally, he has been President of the Audit and Compliance Committee.

He has a degree in Law and in Business Administration (ICADE). Additionally, he completed his education at the NYU Stern School of Management, where he obtained his MBA specializing in Finance.

His professional background is primarily in investment banking in New York, London and Madrid, where he held positions in the upper management of firms such as Morgan Stanley, UBS and Fortis. He was also the Head of Capital Markets at Banco Vizcaya and afterwards at Banco Bilbao Vizcaya during Pedro Toledo's mandate.

In 2005, he founded Noqca Partners, an independent financial advisory firm that has participated in relevant international corporate transactions in the Telecommunications and Industrial sectors. Amongst others, Noqca advised France Telecom in the acquisition of the Spanish telecommunications operator Amena.

He has sat on the Boards of Directors at Prensa Española, S.A.; Antena 3TV; TESA (Taller de Editores, S.A.) and France Telecom España, S.A. Since February 2008 he has been an independent Board member at Quabit Inmobiliaria (company previously named Afirma Grupo Inmobiliario).

##### **Carlos Rodríguez-Quiroga Menéndez**

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

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

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

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

Practicing lawyer.

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

#### **DIRECTORS REPRESENTING SIGNIFICANT SHAREHOLDERS:**

##### **Pedro Velasco Gómez**

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

He holds a degree in Economics from the Universidad Complutense of Madrid.

He completed his training at the Universidad Complutense where he took an Operative Investigation Course and postgraduate at Euroforum and IESE.

His professional career has been performed in the financial banking sector, in which he has held different tasks such as Deputy Managing Director of Banco Urquijo (1989), Deputy Managing Director of Corporate Banking at Banco Hispano Americano, Chief Executive Officer of Hispamer (1992-1995) and Deputy Managing Director of Banco Santander Central Hispano (1997-2002).

Since 2004 he holds the position of Director of non-Energetic and Asset Business of Iberdrola.

He is also a member of other Board of Directors such as Iberdrola Inmobiliaria, Corporación IBV, VINZEO and NEO SKY.

##### **José Miguel Alcolea Cantos**

Born in Albacete. He is currently representing Iberdrola, S.A., Member of the Board of Directors of GAMESA CORPORACIÓN TECNOLÓGICA, S.A.

He has a degree in Law from the University of Complutense of Madrid and specialized in Business from C.U. San Pablo CEU. He is a servant lawyer since 1996. He has complemented his training with Doctorate Courses at such as University of Complutense of Madrid (1999-2000) and IESE (Madrid, 2007)

He started his career in the field of Servant Lawyer where he has been in charge of several departments. Actually he has been Chief of Legal Advisory of Economic Estate Secretary, responsible of legal advisory of Assurance and Pension Funds General Management and Servant Lawyer in the Legal Service Tax Agency and in the Public Legal Authority of Catalonia, and Secretary of the Regional Economic-Administrative Tribunal of Catalonia.

He has been Secretary to the Board of Directors of Agencia EFE S.A. and of Desafío Español 2007, S.A. and Director of several public companies like the Consorcio de Compensación de Seguros and SEIASA.

He has developed an important career in teaching.

Nowadays he is the Director of Legal Services of Business of Iberdrola S.A. (since February 2004), he is Director of Scottish Power Ltd., Iberdrola Usa, Inc. and Iberdrola Ingeniería y Construcción, S.A., among other companies of the Iberdrola Group.

## **OTHER EXTERNAL DIRECTORS**

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### **Juan Luis Arregui Ciarsolo**

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

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

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

He also held the positions of Chairman of Gamesa until 1995, of which he was founder in 1976, Chairman of Corporation Eólica Cesa, S.L., Co-Chairman of Grupo Guascor (1995-2003) and member of Gestora de Proyectos y Contratos, S.A., of which he was founder.

### **Benita Ferrero-Waldner**

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

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

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

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

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

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

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

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

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

In order to complement the information supplied in the Section B.1.8 it should be pointed out that Mr. Juan Luis Arregui Ciarsolo was Deputy Chairman of IBERDROLA, S.A. until his resignation on March 26, 2010, as it was communicated by the aforementioned company to the National Securities Market Commission (*Comisión Nacional del Mercado de Valores*) through the Significant Event number 122806 on March 26, 2010.

In order to complement the information supplied in the Section B.1.8 it should be pointed out that Mr. Pascual Fernández Martínez is member of the Board of Directors of GRUPO EMPRESARIAL ENCE, S.A.

**(B.1.8)**

In order to complement the information supplied in the Section B.1.8 it should be pointed out that the Board of Directors Regulations of GAMESA CORPORACIÓN TECNOLÓGICA, S.A., in its text approved on December 15, 2010, introduces a new Article 7 that, as indicated in the section B.1.9 of this Annual Corporate Governance Report, it is included the incompatibility to be Director of that persons that are members of the Board of Directors of more than three companies whose shares are negotiated in national or international stock exchanges.

In order to complement the information supplied in the Section B.1.8 it should be pointed out that according to the Significant Event nº 103278 sent by the company Vocento, S.A. to the National Securities Market Commission (CNMV) on February 2, 2009, Mr. Santiago Bergareche Busquet is individual representing the company Bycomels Prensa, S.L. in the performance of the function of member of the Board of Directors and of the Executive Committee of Vocento, S.A.

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

**(B.1.10)**

In order to complement the information supplied in the Section B.1.10 it should be pointed out that Article 19 of the By-Laws and Article 5 of the Board of Directors Regulations of GAMESA CORPORACIÓN TECNOLÓGICA, S.A. include the functions of the Board of Directors. Both complete texts can be found on [www.gamesacorp.com](http://www.gamesacorp.com)

**(B.1.11)**

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

(a) the information included in the above-mentioned section coincides with the information appearing on Note 17 of the Individual Report and Note 28 of the Consolidated Report, which forms part of the 2010 Annual Report.

(b) the percentage of "Total directors' remuneration/Profits attributed to parent company" included in section B.11. is compatible with the article 25 of the By-Laws of GAMESA CORPORACIÓN TECNOLÓGICA, S.A. because if for the calculation we do exclude the remunerations of the Executive Directors the percentage is 2.4%.

(c) the Board of Directors agreed the freeze of all its remunerations for the fiscal year 2010.

(d) in its meeting of January 26, 2011 the Board of Directors has decided the freeze of the fixed remuneration and allowances of the Board of Directors until new agreement.

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

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

In order to complement the information supplied in Section B.1.12, it should be pointed out that during the fiscal year 2010 the following persons have joined the Senior Management of the company:

- Mr. Ricardo Chocarro Melgosa, as Operations Managing Director.
- Mr. Pedro López García, as Services Managing Director.
- Mr. Iñigo Cisneros Humaran, as Legal Services Managing Director.

On the other hand, it should be pointed out that during the fiscal year 2010 Mr. Luis Pardo López ceased as Operations Managing Director of the Company and the sum obtained by him as indemnity and compensation of non concurrence is included in the total remuneration amount of the Senior Management of section B.1.12.

It is also remarkable that Mr. Jesús Zaldua Lasa ceased during the fiscal year 2010 as Executive Director for China and is actually Executive Director of Gamesa Energia in Latin America.

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

In order to complement the information supplied in Section B.1.13, it should be pointed out that on the moment of the call of the General Shareholders Meeting of GAMESA CORPORACIÓN TECNOLÓGICA, S.A. of 2010, information of the guarantees or golden handshake clauses in favour of the members of the Senior Management was put at disposal of the shareholders. This information is held in the Explanatory Report of additional information included in the Management Report as complement to the Annual Report of the financial year ending on December 31, 2009, as per article 116 bis of the Spanish Stock Market Law.

In the above-mentioned report it is included the reference to the inclusion of agreements between the company and its administrator posts and directors or employees that set compensations when these resigned or are dismissed unfairly or if his labour relation comes to an end as a consequence of a takeover bid.

The information given to the shareholders in the report relating to golden handshake clauses is the one detailed below:

*"The Chief Executive Officer and certain members of the Company's management team are contractually entitled to receive financial compensation in the event of the termination of their contract on grounds attributable to the Company, and in certain cases due to the occurrence of objective circumstances, such as a change of control. The financial compensation agreed in relation to such termination consists, in general terms, of the payment of fixed and variable remuneration corresponding to different periods, until a maximum of three years periods, depending on personal and professional circumstances, and the time at which the contract was signed.*

*In general, the employment contracts of non-executive employees do not contemplate financial compensation in the event of termination other than as established in current legislation."*

**(B.1.14)**

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

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

**(B.1.16)**

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

**(B.1.17)**

In order to complement the information supplied in Section B.1.17, it should be pointed out that Mr. Juan Luis Arregui Ciarsolo, Deputy Chairman of the Board of Directors GAMESA CORPORACIÓN TECNOLÓGICA, S.A., held the post of member of the Board of Directors of IBERDROLA, S.A. until his resignation of March 26, 2010, as communicated by the aforementioned company to the National Securities Market Commission (*Comisión Nacional del Mercado de Valores*) through a Significant Event number 122806 on March 26, 2010.

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

**(B.1.20)**

In order to complement the information supplied in Section B.1.20, it should be pointed out that according to the Significant Event 138165 sent to the CNMV on February 14, 2011, the external independent Mr. Santiago Bergareche Busquet resigned, through a letter addressed to GAMESA CORPORACIÓN TECNOLÓGICA, S.A. and received on February 11, 2011, as Member of the Board of Directors and of the Appointment and Remuneration Committee because of strict personal reasons related to the dedication that his responsibilities in other companies demand him.

**(B.1.25)**

In order to complement the information supplied in Section B.1.25, it should be pointed out that the amendment of the Board of Directors Regulations approved by the aforementioned body on April 21, 2010 raised to 70 years the obligation to cease in the post of Chairman, Deputy Chairman, CEO, Secretary and Deputy Secretary, according to the latest legislative tendencies and companies of the environment of GAMESA CORPORACIÓN TECNOLÓGICA, S.A. (current Article 27 of the Board of Directors Regulations according to the text approved by the aforementioned Board on December 15, 2010).

**(B.1.26)**

In order to complement the information supplied in Section B.1.26, it should be pointed out that, as included in the section B.1.2., none of the current members of the Board of Directors of GAMESA CORPORACIÓN TECNOLÓGICA, S.A. that are External Independents have held the post for a continuous period of over 12 years, as established in the recommendation 29 of the Unified Code of Corporate Governance.

**(B.1.27)**

In order to complement the information supplied in Section B.1.27, it should be pointed out that GAMESA CORPORACIÓN TECNOLÓGICA, S.A. and the union organizations FIA-UGT, MCA-UGT, FITEQA-CCOO, FI-CCOO and ELA signed on September 2, 2010 an Equality Plan, that was Publisher in the Official State Bulletin (*Boletín Oficial del Estado*) on December 14, 2010.

**(B.1.33)**

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

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

**(B.1.35)**

In order to complement the information disclosed in Section B.1.35 it should be pointed out that the Article 19 of the Audit and Compliance Committee Regulations of GAMESA CORPORACIÓN TECNOLÓGICA, S.A. rules the relations of the aforementioned Committee with the External Auditor. The full text is available on [www.gamesacorp.com](http://www.gamesacorp.com)

**(B.1.40)**

In order to complement the information disclosed in Section B.1.40 it should be pointed out that Mr. Carlos Fernández-Lerga Garralda owns 398 shares of IBERDROLA RENOVABLES, S.A. that is a 0.000% of share capital participation.

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

| Name or trade name of the director | Name of company in which shares are held    | % shareholding | Position or functions                      |
|------------------------------------|---|----------------|--|
| Alcolea Cantos, José Miguel        | IBERDROLA, S.A.                             | 0.000%         | Director of the Legal Services of Business |
|                                    | IBERDROLA INGENIERÍA Y CONSTRUCCIÓN, S.A.U. | 0.000%         | Member of the Board of Directors           |
|                                    | SCOTTISH POWER, LIMITED                     | 0.000%         | Member of the Board of Directors           |

**(B.2.1)**

In order to complement the information supplied in Section B.2.1, we would like to state that the regularity with which meetings of the Board of Directors 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, it should be pointed out that according to the Significant Event 138165 sent to the CNMV on February 14, 2011, the external independent Mr. Santiago Bergareche Busquet resigned, through a letter addressed to GAMESA CORPORACIÓN TECNOLÓGICA, S.A. and received on February 11, 2011, as Member of the Board of Directors and of the Appointment and Remuneration Committee because of strict personal reasons related to the dedication that his responsibilities in other companies demand him.

**(B.2.1)**

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

## **Appointment and Remuneration Committee**

According to the Significant Event number 122703 sent to the CNMV on March 24, 2010, the Appointment and Remuneration Committee agreed on March 22, 2010, the appointment of Mr. Carlos Fernández-Lerga Garralda as Chairman of that Committee. As a consequence to that appointment he ceased as Secretary non member of the aforementioned Committee, and Mr. Carlos Rodríguez-Quiroga Menéndez was appointed for that post.

## **Audit and Compliance Committee**

According to the aforementioned Significant Event number 122703 sent to the CNMV on March 24, 2010, the Audit and Compliance Committee agreed on March 23, 2010 the appointment of Mr. Carlos Rodríguez-Quiroga as Secretary non member of that Committee, as a substitute for Mr. Carlos Fernández-Lerga Garralda, who was the person in charge of that post until that moment.

### **(B.2.3)**

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

### **(B.2.6)**

In order to complement the information supplied in Section B.2.6, it should be pointed out that GAMESA CORPORACIÓN TECNOLÓGICA, S.A. has no Executive Committee.

### **(C.5)**

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

As happened in the meeting of the Board of Directors of January 27, 2010.

**(C.6)**

In order to complement the information supplied in Section C.6, it should be pointed out that in the relation of potential conflicts of interest between GAMESA CORPORACIÓN TECNOLÓGICA, S.A. and/or its group, and its Managers, GAMESA CORPORACIÓN TECNOLÓGICA, S.A. elaborated on 2009 an specific rule named "Standard on the Prevention of Conflicts of Interests and/or Corruption and/or Bribery.

**(E.4)**

In order to complement the information supplied in Section E.4, it should be pointed out that the call of the Shareholders' General Meeting of May 28, 2010 was published in two newspapers (El Correo and Cinco Días) on April 23, 2010, date on which all the documents related to the Shareholders' General Meeting that are detailed in section E.4. were published in the corporate Website. The call of the aforementioned Shareholders' General Meeting in the Official Bulletin of the Corporate Register (*Boletín Oficial del Registro Mercantil*) occurred on April 26, 2010.

**(E.7)**

In order to complement the information disclosed in Section E.7, it should be pointed out that the electronic vote system was used in the Shareholders' General Meeting of the financial year 2010 by eight shareholders that were holders of a total of six thousand five hundred forty two (6.542) shares.

**Binding Definition of Independent Director:**

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

Yes  No

| Name of director | Type of relationship | Explanation |
|------------------|----------------------|-------------|
|                  |                      |             |

This annual corporate governance report was approved by the company's Board of Directors at its meeting held on February 23, 2011.

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

Yes

No

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