

REPORT OF THE APPOINTMENTS COMMITTEE OF GAMESA CORPORACIÓN TECNOLÓGICA, S.A. IN RELATION TO THE RATIFICATION AND RE-ELECTION OF MR GERARDO CODES CALATRAVA AS NON-EXECUTIVE PROPRIETARY DIRECTOR

In Zamudio, Bizkaia, on 12 September 2016, the Appointments Committee (the "**Committee**") of Gamesa Corporación Tecnológica, S.A. ("**Company**") unanimously agrees to issue and submit to the Board of Directors this favourable report on the proposal to ratify the appointment by cooption and re-elect Mr. Gerardo Codes Calatrava as a non-executive proprietary director of the Company in case that the Board of Directors of the Company appoints Mr. Gerardo Codes Calatrava by cooption and then submits his ratification and re-election to the General Shareholder's Meeting.

1. PURPOSE AND LEGAL FRAMEWORK

Article 529 *decies* 6. of the Spanish Capital Companies Act and article 6.2 a) of the regulations of the Appointments Committee establishes that this Committee shall issue a report on the appointment, re-election or dismissal of proprietary directors appointed by cooption or for its submission to the General Shareholders' Meeting. Likewise, this Committee shall report on whether the relevant director to be re-elected keeps the same classification.

2. PROPOSAL

This report is issued after the Committee having issued its favourable report to the appointment of Mr Gerardo Codes Calatrava as a director of the Company by cooption and for the event that the Board of Directors effectively appoints him as a director by cooption and subsequently its appointment is submitted to the General Shareholder's Meeting of the Company for its ratification and re-election. A copy of this favourable report is attached as annex 1.

In the Committee's view, the reasons that justified the above referred favourable report are fully applicable for the purposes of assessing the convenience of the ratification of the appointment Mr. Gerardo Codes Calatrava by cooption and his re-election as non-executive proprietary director of the Company.

3. CONCLUSION

In consideration of the foregoing, the Committee has reached a unanimous decision confirming the report issued today as per the appointment of Mr. Gerardo Codes Calatrava as director by cooption attached to this report as annex 1 and, based on this, issued the present favourable report regarding the ratification and re-election as a non-executive proprietary director of the Company.



Annex 1

Report of the Appointments Committee of Gamesa Corporación Tecnológica, S.A. in relation to the appointment of Mr Gerardo Codes Calatrava by cooption



REPORT OF THE APPOINTMENTS COMMITTEE OF GAMESA CORPORACIÓN TECNOLÓGICA, S.A. IN RELATION TO THE APPOINTMENT OF MR GERARDO CODES CALATRAVA BY COOPTION

In Zamudio, Bizkaia, on 12 September 2016, the Appointments Committee (the "**Committee**") of Gamesa Corporación Tecnológica, S.A. ("**Gamesa**" or the "**Company**") unanimously agrees to issue this favourable report on the appointment of Mr Gerardo Codes Calatrava as a non-executive proprietary director of the Company by cooption, for submission to the Board of Directors of Gamesa.

1. PURPOSE AND REGULATORY FRAMEWORK OF THE PROPOSAL

The present report is issued in compliance with Articles 529 *decies* 6 of the Spanish Capital Companies Act and 13.2. b) of the *Regulation governing the Board of Directors*, by virtue of which the proposal for appointment or reelection of any non-independent director must be preceded by a report from the Appointments Committee.

2. PROPOSAL

The significant shareholder Iberdrola, S.A. ("**Iberdrola**") has notified Gamesa of its intention to replace Ms Gema Góngora Bachiller, who has resigned from the Company's Board of Directors.

The candidate proposed by Iberdrola is Mr. Gerardo Codes Calatrava.

3. THE CANDIDATE. NOTEWORTHY EXPERIENCE FOR THE POSITION OF DIRECTOR

Mr. Gerardo Codes Calatrava is a state attorney (*Abogado del Estado*) on leave. He has a law degree from Comillas Pontifical University (ICADE) and is a qualified corporate legal advisor and a professor of administrative law at Valencia Catholic University.

Since 2005 he has been a state attorney in Lleida, and from 2007, in Valencia, where he held the following positions: coordinator of the administrative law courts, coordinator of the legal aid agreement between the State Legal Service and the Centre for Network Research on Rare Diseases (CIBERER), and the acting secretary of the regional economic-administrative court of the Valencian Community. He has also headed the fiscal legal services department of Iberdrola, S.A.

He is currently the Director of Regulatory Legal Services and Corporate Affairs at Iberdrola, Secretary of the Audit and Compliance Committee of Iberdrola España S.A., and the Secretary of the Board of Directors of Torre Iberdrola, A.I.E.

4. JUSTIFICATION OF THIS FAVOURABLE REPORT

In the opinion of the Committee, and on the basis of the report of "PricewaterhouseCoopers Asesores de Negocios, S.L.", Mr. Gerardo Codes Calatrava meets the requirements established by law and the Corporate Governance Rules of the Company to exercise the position of non-executive director of the Company; specifically, in the opinion of the Committee, the candidate possesses the requirements of renowned reputation, solvency, competence and experience established in the Corporate Governance Rules of Gamesa.

Likewise, the Committee has verified with the candidate that he has time availability to actually perform his function.

Furthermore, the Committee has verified that he is not concerned, either directly or indirectly, by any of the causes of disqualification, prohibition, conflict or opposition of interests with the corporate interest contained in the general provisions or in the Corporate Governance Rules of Gamesa.

Additionally, in producing this report, consideration has been given to the suitability of the professional profile of Mr. Gerardo Codes Calatrava as regards the particular features of the business

and the sector in which the Company is active and the opportunity represented by Mr. Gerardo Codes Calatrava undertaking the role of director. Finally, it has been also taken into account the ownership structure of the Company resulting from the proposed merger (pointing out, to this effect, the importance of the permanence of Siemens, which would become a significant shareholder of the Company).

It is the opinion of the Committee that the appointment by cooption of Mr. Gerardo Codes Calatrava as director of the Company by the Board of Directors would comply with the Corporate Governance Rules insofar as the proportion that should exist between executive and non-executive directors because, should he end up being appointed, the proportion between executive and non-executive directors would not alter (2 against 10), with the latter representing a sound majority of the Board.

Following the appointment by cooption of Mr Gerardo Codes Calatrava, the 16.7 % of the Board of Directors would be executive directors and the 83.3 % non-executive directors (25% proprietary directors and 58.3 % independent directors).

Consequently, the proportion of independent directors will satisfy Recommendation 17 of the *Code of Good Practise* for listed companies of February 2015 (the "**Code of Good Practise**"), specifically aimed at high capitalisation companies.

In the opinion of the Committee, the requirement of reasonable balance between proprietary directors and independent directors is also met, taking into account the Company's ownership structure, the absolute and relative importance of significant shareholdings, as well as the level of continuity, commitment and strategic links of Iberdrola with the Company.

In addition, Recommendation 16 of the new Code of Good Practices establishes that the proportion between proprietary directors and the total number of non-executive directors must not be greater than the percentage of share capital of the shareholder represented on the Board of Directors (in this case, 19.686 %).

However, this Recommendation is expressly mitigated by the Code of Good Practices for companies with high capitalization, which includes the Company, provided the shareholdings that are legally considered significant are limited, as it is also the case of the Company. To this effect, only Iberdrola has as of today this condition. In consideration of the foregoing, in the Committee's view the Company complies with this Recommendation.

5. CLASSIFICATION

Should Mr. Gerardo Codes Calatrava be appointed as member of the Board of Directors, the Committee reports that, in its opinion, and according to Article 529 *duodecies* 3 of the Spanish Capital Companies Act, he shall be qualified as a "**proprietary**" director, as he would be appointed upon the proposal of Iberdrola to the Company, in its capacity as significant shareholder.

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