

REPORT OF THE APPOINTMENTS COMMITTEE OF GAMESA CORPORACIÓN TECNOLÓGICA, S.A. IN RELATION TO THE APPOINTMENT OF MS LISA DAVIS AS NON-EXECUTIVE PROPRIETARY DIRECTOR

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 Ms Lisa Davis as a non-executive proprietary director of the Company, for submission to the Board of Directors of Gamesa.

1. PURPOSE AND REGULATORY FRAMEWORK OF THE PROPOSAL

Article 529 *decies* of the Spanish Capital Companies Act establishes that the proposed appointment or re-election of any non-independent director shall be preceded by a report of the Committee. Clause 13.2 b) of the *Regulation governing the Board of Directors* makes provision to the same effect.

As a result, this report is issued in compliance with the aforementioned regulation.

2. PROPOSAL

Within the framework of the proposed merger between the Company, as absorbing company, and Siemens Wind HoldCo, S.L. (Sociedad Unipersonal), as absorbed company, following which Siemens Aktiengesellschaft ("**Siemens**") shall acquire the status of significant shareholder, and according to the common terms of the merger (the "**Common Terms of the Merger**"), Siemens shall propose the appointment of five non-executive proprietary directors.

For these purposes, Siemens has informed the Board of Directors of Gamesa of its intention to appoint Ms Lisa Davis as one of its five representatives on the Board of Directors of the Company subsequent to the merger.

As a result, the Committee has been asked to issue the corresponding report on the appointment of Ms Lisa Davis as member of the Board of Directors of the Company, in representation of Siemens.

3. THE CANDIDATE. NOTABLE EXPERIENCE RELEVANT TO HER POSITION IN THE COMPANY

Ms Lisa Davis was born in the US in 1963 and graduated from the University of Berkeley (California, US) with a degree in chemical engineering.

Since August 2014 to the present day, she has been a member of the Board of Directors of Siemens.

As regards notable experience relevant to her position at Gamesa, Ms Lisa Davis has held various management posts at Exxon Corporation and Texaco and, subsequently, at Royal Dutch Shell (both in the US and the UK), during which time she has contributed to the development of the business related to hydrocarbons, fuels and alternative energies, and undertaken the following roles: Vice-Chair of the hydrocarbons supply for Europe and Executive Vice-Chair of strategy, portfolio and alternative energy of Royal Dutch Shell.

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.", Ms Lisa Davis meets the requirements established under Law and the Corporate Governance Rules of the Company to undertake the role of non-executive director of the Board of Directors of the Company; in particular, it is the opinion of the Committee that the candidate meets the requirements of renowned good character, solvency, competence and experience, as established in the Corporate Governance Rules of Gamesa.



Likewise, the Committee has verified that she 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.

Furthermore, in producing this report, consideration has been given to the suitability of the professional profile of Ms Lisa Davis as regards the particular features of the business and the sector in which the Company is active and the opportunity represented by Ms Lisa Davis 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).

In the opinion of the Committee, the appointment of Ms Lisa Davis, in conjunction with the appointment of all the other directors under the terms of the Common Terms of Merger and which is also submitted to this Committee so that it may issue a report or, as the case may be, a proposal, separately, would comply with the provisions of Recommendation 16 of the *Code of Good Governance* for listed companies as the percentage between proprietary directors of Siemens on the Board of Directors shall be less than its percentage in the share capital (59%). In the case of Iberdrola, S.A. ("**Iberdrola**"), it should be borne in mind that Recommendation 16 of the *Code of Good Governance* for listed companies is expressly mitigated for companies with high capitalisation, which includes the Company, provided that there are few shareholdings deemed to be significant according to law, as it is also the case of Gamesa. In view of the foregoing, it is the opinion of the Committee that the Company also complies with this recommendation in terms of proprietary directors of Iberdrola.

On the other hand, it is true that, as a result of the proposed appointments, the proportion of independent directors would not comply with the literal wording of Recommendation 17 of the *Code of Good Governance* for listed companies, which provides that in companies with a shareholder controlling more than the 30% of the share capital (according to the proposed exchange ratio, Siemens shall hold 59% of the share capital of the Company) the independent directors shall represent at least one third of the members of the Board of Directors. However, the ultimate meaning underlying Recommendation 17, as regards the need to guarantee due representation of independent directors on the Board of Directors must be deemed complied with. In this regard, the percentage of independent directors on the Board of Directors arising from the merger, i.e. 30.8%, is very close to the target of a third of members established in the *Code of Good Governance* for listed companies.

Following the appointment of Ms Lisa Davis as a non-executive proprietary director of the Company, and according to the structure of the Board of Directors set out in the Common Terms of Merger, 15.4 % of the Board of Directors shall consist of executive directors and 84.6 % of non-executive directors (53.8 % proprietary directors and 30.8 % independent directors).

In view of the foregoing, it is the opinion of the Committee that there would be a reasonable balance between directors proprietary and independent directors, given the ownership structure of the Company and the importance in absolute and comparative terms of the significant shareholders, especially of Siemens and Iberdrola.

5. QUALIFICATION

Should Ms Lisa Davis 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, she shall be qualified as a "**proprietary**" director, as she would be appointed upon the proposal of Siemens to the Company, in its capacity as significant shareholder.



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