Gamesa Corporación Tecnológica, S.A.

Auditors' Report

Financial Statements for the year ended 31 December 2015 and Management Report

Translation of a report and financial statements originally issued in Spanish. In the event of a discrepancy, the Spanish-language version prevails.

Independent Audit Report

GAMESA CORPORACIÓN TECNOLÓGICA, S.A.
Financial Statements and Management Report
for the year ended
December 31, 2015

Translation of a report and financial statements originally issued in Spanish. In the event of discrepancy, the Spanish-language version prevails (See Note 22)

INDEPENDENT AUDIT REPORT ON THE FINANCIAL STATEMENTS

To the Shareholders of GAMESA CORPORACIÓN TECNOLÓGICA, S.A.:

Report on the financial statements

We have audited the accompanying financial statements of GAMESA CORPORACIÓN TECNOLÓGICA, S.A., which comprise the balance sheet at December 31, 2015, the income statement, the statement of changes in equity, the cash flow statement, and the notes thereto for the year then ended.

Directors' responsibility for the financial statements

The directors are responsible for the preparation of the accompanying financial statements so that they give a true and fair view of the equity and financial position and the results of GAMESA CORPORACIÓN TECNOLÓGICA, S.A., in accordance with the regulatory framework for financial information applicable to the Entity in Spain, identified in Note 2 to the accompanying financial statements, and for such internal control as they determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

Auditor's responsibility

Our responsibility is to express an opinion on the accompanying financial statements based on our audit. We conducted our audit in accordance with prevailing audit regulations in Spain. Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit requires performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation of financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion

In our opinion, the accompanying financial statements give a true and fair view, in all material respects, of the equity and financial position of GAMESA CORPORACIÓN TECNOLÓGICA, S.A. at December 31, 2015, and its results and cash flow for the year then ended, in accordance with the applicable regulatory framework for financial information in Spain, and specifically the accounting principles and criteria contained therein.

Report on other legal and regulatory requirements

The accompanying 2015 management report contains such explanations as the directors consider appropriate concerning the situation of the Company, the evolution of its business and other matters; however, it is not an integral part of the financial statements. We have checked that the accounting information included in the aforementioned management report agrees with the 2015 financial statements. Our work as auditors is limited to verifying the management report in accordance with the scope mentioned in this paragraph, and does not include the review of information other than that obtained from the Company's accounting records.

ERNST & YOUNG, S.L.

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February 25, 2015

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- Balance sheet at December 31, 2015
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- Notes to the Financial Statements for the year end December 31, 2015

Management report for the year end December 31, 2015

Translation of financial statements originally issued in Spanish and prepared in accordance with the regulatory financial reporting framework applicable to the Company (see Note 22). In the event of a discrepancy, the Spanish-language version prevails.

GAMESA CORPORACIÓN TECNOLÓGICA, S.A.

BALANCE SHEET AT DECEMBER 31, 2015 AND 2014 (*)

(Thousands of euros)

ASSETS	Notes	12.31.2015	12.31.2014 (*)	EQUITY AND LIABILITIES	Notes	12.31.2015	12.31.2014 (*)
NON-CURRENT ASSETS		**385.335**	**312.348**	**EQUITY**	**Note 12**	**900.424**	**844.804**
Intangible assets	**Note 6**	**228**	**391**	***SHAREHOLDER'S EQUITY***		**900.424**	**844.804**
Computer software		228	391	**Share capital**		**47.476**	**47.476**
Property, plant and equipment	**Note 7**	**534**	**386**	**Share premium**		**386.413**	**386.413**
Other fixtures, tools and furniture		406	315	**Reserves**		**435.896**	**386.129**
Other items of property, plant and equipment		128	71	Legal and bylaw reserves		9.495	8.633
Non-current investments in Group companies and associates	**Note 9**	**374.317**	**276.108**	Other reserves		426.401	377.496
Investments in Group companies and associates		374.317	276.108	**Treasury shares**		**(46.244)**	**(24.873)**
Non-current financial assets	**Note 9**	**444**	**560**	**Profit for the year**		**76.883**	**49.659**
Equity instruments		-	113				
Guarantees and deposits given	Note 8	444	447				
Deferred tax assets	**Note 16**	**9.812**	**34.903**	**NON-CURRENT LIABILITIES**		**4.180**	**29.739**
				Non-current payables		**4.180**	**29.739**
				Other financial liabilities	Note 15	4.180	5.739
				Bank borrowings	Note 14	-	24.000
CURRENT ASSETS		**574.959**	**604.415**				
Trade and other receivables		**47.395**	**42.895**	**CURRENT LIABILITIES**		**55.690**	**42.220**
Trade receivables for sales and services		35	40	**Short-term provisions**	**Note 13**	**1.381**	**891**
Receivables from Group companies and associates	Note 19	42.794	38.050	Other provisions		1.381	891
Accounts receivable		97	97	**Current payables**	**Note 14**	**4.414**	**7.461**
Other accounts receivable from public authorities	Note 16	4.469	4.708	Bank borrowings		234	7.461
Current investments in Group companies and associates	**Note 19**	**523.045**	**542.918**	Other financial liabilities	Note 15	4.180	-
Short-term loans to Group companies		523.045	542.918	**Current payables to Group companies and associates**	**Note 19**	**34.249**	**13.693**
Current financial assets	**Note 10**	**1.765**	**1.165**	**Trade and other payables**		**15.646**	**20.175**
Short-term loans to third parties		1.765	1.165	Sundry accounts payable		4.925	9.526
Short-terms accruals		**297**	**262**	Remuneration payable		8.165	7.682
Cash and cash equivalents	**Note 11**	**2.457**	**17.175**	Other accounts payable to public authorities	Note 16	2.556	2.967
Cash		2.457	17.175				
TOTAL ASSETS		**960.294**	**916.763**	**TOTAL EQUITY AND LIABILITIES**		**960.294**	**916.763**

(*) Presented for comparison purposes only.

The accompanying Notes 1 to 22 are an integral part of the balance sheet at December 31, 2015.

Translation of financial statements originally issued in Spanish and prepared in accordance with the regulatory financial reporting framework applicable to the Company (see Note 22). In the event of a discrepancy, the Spanish-language version prevails.

GAMESA CORPORACIÓN TECNOLÓGICA, S.A.

INCOME STATEMENTS FOR THE YEARS ENDED DECEMBER 31, 2015 AND 2014 (*)

(Thousands of euros)

	Notes	Year 2015	Year 2014 (*)
CONTINUING OPERATIONS:			
Revenue	**Note 18.1**	**31.418**	**59.768**
Dividends received for investments in equity instruments of Group companies and associates		3.006	43.000
Income from loans granted to Group companies and associates		28.412	16.768
Other operating income		**35.604**	**39.645**
Non-core and other current operating income	Note 18.2	35.508	39.463
Income-related grants transferred to profit or loss		96	182
Personnel expenses	**Note 18.4**	**(34.672)**	**(32.914)**
Wages, salaries and similar expenses		(28.949)	(27.239)
Employee benefit costs		(5.723)	(5.675)
Other operating expenses	**Note 18.3**	**(19.685)**	**(19.851)**
Outside services		(19.606)	(19.825)
Taxes other than income tax		(79)	(26)
Depreciation and amortization	**Notes 6 and 7**	**(332)**	**(593)**
Impairment and profit/(loss) on disposals of financial instruments	**Note 9**	**103.388**	**9.062**
Impairment and profit/(loss) in Group companies and associates investments		103.388	9.062
OPERATING PROFIT/(LOSS)		**115.721**	**55.117**
Financial expense		**(1.003)**	**(2.921)**
On debts to Group companies and associates	Note 19	34	(173)
On debts to third parties	Note 14	(1.037)	(2.748)
Exchange differences		**(17)**	**28**
FINANCIAL PROFIT/(LOSS)		**(1.020)**	**(2.893)**
PROFIT/(LOSS) BEFORE TAX		**114.701**	**52.224**
Income tax	Note 16	(37.818)	(2.565)
PROFIT/(LOSS) FOR THE YEAR FROM CONTINUING OPERATIONS		**76.883**	**49.659**
PROFIT/(LOSS) FOR THE YEAR		**76.883**	**49.659**

(*) Presented for comparison purposes only.

The accompanying Notes 1 to 22 are an integral part of the income statement at December 31, 2015.

Translation of financial statements originally issued in Spanish and prepared in accordance with the regulatory financial reporting framework applicable to the Company (see Note 22). In the event of a discrepancy, the Spanish-language version prevails.

GAMESA CORPORACIÓN TECNOLÓGICA, S.A.

STATEMENTS OF CHANGES IN EQUITY FOR THE YEARS ENDED DECEMBER 31, 2015 AND 2014 (*)

(Thousands of euros)

A) STATEMENTS OF RECOGNISED INCOME AND EXPENSE FOR 2015 AND 2014 (*)

	Year 2015	Year 2014 (*)
Profit for the year	76.883	49.659
Income and expenses recognised directly in equity	-	-
Transfers to income statements	-	-
TOTAL INCOME AND EXPENSES RECOGNISED	**76.883**	**49.659**

(*) Presented for comparison purposes only.

The accompanying Notes 1 to 22 are an integral part of the statement of changes in equity at December, 31 2015.

GAMESA CORPORACIÓN TECNOLÓGICA, S.A.

STATEMENTS OF CHANGES IN EQUITY FOR THE YEARS ENDED DECEMBER 31, 2015 AND 2014 (*)

(Thousands of euros)

B) STATEMENTS OF CHANGES IN TOTAL EQUITY FOR 2015 AND 2014 (*)

				Other reserves						
	Share capital	Share premium	Legal reserve	Reserve for redenomination of capital in euros	Voluntary reserves	Losses from previous year	Reserves for treasury shares	Treasury shares	Profit for the year	Total
BEGINNING BALANCE AT DECEMBER 31, 2014 (*)	**43.160**	**154.619**	**8.408**	**1**	**365.594**	**(454.812)**	**21.340**	**(21.340)**	**443.575**	**560.545**
Total income and expenses recognised	-	-	-	-	-	-	-	-	49.659	49.659
Other changes in equity:										
- Capital increase (Note 12)	4.316	231.794	-	-	(2.586)	-	-	-	-	233.524
- Distribution of 2013 profit:										
Other reserves	-	-	225	-	-	443.350	-	-	(443.575)	-
- Treasury share transactions (Note 12.3)	-	-	-	-	(1.653)	-	3.533	(3.533)	-	(1.653)
- Incentive plan (Note 12.4)	-	-	-	-	2.729	-	-	-	-	2.729
ENDING BALANCE AT DECEMBER 31, 2014	**47.476**	**386.413**	**8.633**	**1**	**364.084**	**(11.462)**	**24.873**	**(24.873)**	**49.659**	**844.804**
Total income and expense recognised	-	-	-	-	-	-	-	-	76.883	76.883
Other changes in equity:										
- Distribution of 2014 profit:										
Other reserves	-	-	862	-	26.015	-	-	-	(26.877)	-
Dividend payment	-	-	-	-	-	-	-	-	(22.782)	(22.782)
- Treasury share transactions (Note 12.3)	-	-	-	-	(120)	-	21.371	(21.371)	-	(120)
- Incentive plan (Note 12.4)	-	-	-	-	1.639	-	-	-	-	1.639
ENDING BALANCE AT DECEMBER 31, 2015	**47.476**	**386.413**	**9.495**	**1**	**391.618**	**(11.462)**	**46.244**	**(46.244)**	**76.883**	**900.424**

(*) Presented for comparison purposes only.

The accompanying Notes 1 to 22 are an integral part of the statement of changes in equity at December 31, 2015.

Translation of financial statements originally issued in Spanish and prepared in accordance with the regulatory financial reporting framework applicable to the Company (see Note 22). In the event of a discrepancy, the Spanish-language version prevails.

GAMESA CORPORACIÓN TECNOLÓGICA, S.A.

STATEMENTS OF CASH FLOWS FOR THE YEARS ENDED DECEMBER 31, 2015 AND 2014 (*)

(Thousands of euros)

	Notes	Ejercicio 2015	Ejercicio 2014 (*)
CASH FLOW FROM OPERATING ACTIVITIES (I)		**(8.566)**	**30.469**
Profit for the year before tax		114.701	52.224
Adjustments for:			
- Depreciation and amortization	**Notes 6 and 7**	332	593
- Impairment losses	**Note 9**	(103.388)	(9.062)
- Changes in provisions (incentive plan)	**Note 12**	1.051	2.080
- Financial expenses	**Notes 14 and 19**	1.003	2.921
- Exchange differences		17	(28)
- Trade and other receivables		(4.465)	13.410
- Other current assets		-	1.764
- Other payables		(16.759)	(31.617)
- Prepaid expenses		(36)	1.077
Other cash flows from operating activities			
- Interests paid	**Note 14**	(1.022)	(2.893)
CASH FLOWS FROM INVESTING ACTIVITIES (II)		**48.370**	**(273.903)**
OPERATING PROFIT/(LOSS)			
Payments due to investments			
- Group companies and associates	**Note 9**	43.404	(282.019)
- Other financial assets		(600)	-
- Investments in intangible assets and property, plant and equipment	**Notes 6 and 7**	(317)	(185)
Charges for divestments			
- Other investments in non-current financial assets		5.883	8.301
CASH FLOWS FROM FINANCING ACTIVITIES (III)		**(54.522)**	**259.550**
Receipts and payments for equity instruments			
- Capital increase		-	232.520
- Purchase of treasury shares	**Note 12**	(120)	-
Receipts and payments for financial liability instruments			
- Issue/(amortization) of borrowings from Group companies and associates	**Notes 14 and 15**	(31.620)	27.030
Dividend payments and remunerations of other equity instruments			
- Dividends		(22.782)	-
IMPACT OF CHANGES IN EXCHANGE RATE (IV)		**-**	**-**
NET INCREASE/DECREASE IN CASH AND CASH EQUIVALENTS (I+II+III+IV)		**(14.718)**	**16.116**
Cash and cash equivalents at beginning of the year		**17.175**	**1.059**
Cash and cash equivalents at year end		**2.457**	**17.175**

(*) Presented for comparison purposes only.

The accompanying Notes 1 to 22 are an integral part of the statement of cash flows at December 31, 2015.

COMPANIES	LINE OF BUSINESS	AUDITOR	LOCATION	% OF DIRECT AND INDIRECT OWNERSHIP	SHARE CAPITAL	RESERVES	PROFIT AFTER TAXES
FULLY CONSOLIDATED COMPANIES							
A) GAMESA ENERGÍA GROUP							
Gamesa Energía, S.A. Unipersonal	Development of wind farms	EY	Vizcaya	100%	35,491	157,752	(33,238)
A.1 Wind farms							
· **Development of wind farms**							
Gamesa Inversiones Energéticas, S.A.	Development of wind farms	EY	Vizcaya	100%	1,200	2,932	(3,003)
Gamesa Energía Italia, S.P.A.	Development of wind farms	EY	Italy	100%	570	6	(2,171)
Gamesa Energiaki Hellas, A.E.	Development of wind farms	EY	Greece	100%	464	(405)	(2,405)
Gamesa Energie France, E.U.R.L.	Development of wind farms	EY	France	100%	60	(5,711)	1,202
Parques Eólicos del Caribe, S.A.	Development of wind farms	PWC	Dominican Republic	57%	1,184	(1,204)	(2,441)
Navitas Energy, Inc.	Development of wind farms	-	USA	97%	252	(13,320)	(191)
Gamesa Energy Romania, S.R.L.	Development of wind farms	-	Romania	99%	0	(8,337)	(1,012)
Gamesa Energy UK, Ltd.	Development of wind farms	EY	UK	100%	14,361	(11,740)	(4,028)
Wind Portfolio SponsorCo, LLC	Development of wind farms	-	USA	100%	-	-	-
Gamesa Energie Deutschland, GmbH	Development of wind farms	EY	Germany	100%	575	(4,683)	(1,457)
Kurnool Wind Farms Privated Ltd	Manufacture and holding Company	-	India	100%	1	(1)	-
Kadapa Wind Farms Privated Ltd	Manufacture and holding Company	-	India	100%	1	(1)	-
Anantapur Wind Farms Privated Ltd	Manufacture and holding Company	-	India	100%	1	(1)	-
GERR, Grupo Energético XXI, S.A Unipersonal	Development of wind farms	-	Barcelona	100%	1,605	(5,891)	(1,549)
International Wind Farm Developments II, S.L.	Development of wind farms	-	Vizcaya	100%	3	(358)	649
International Wind Farm Developments III, S.L.	Development of wind farms	-	Vizcaya	100%	3	41	1
International Wind Farm Developments IX, S.L.	Development of wind farms	-	Vizcaya	100%	3	(563)	(239)
Gamesa Bulgaria EOOD	Development of wind farms	EY	Bulgaria	100%	3	124	(125)
International Wind Farm Development IV, S.L.	Development of wind farms	-	Vizcaya	100%	3	(1)	-
International Wind Farm Development V, S.L.	Development of wind farms	-	Vizcaya	100%	3	(1)	-
International Wind Farm Development VI, S.L.	Development of wind farms	-	Vizcaya	100%	3	(1)	-
International Wind Farm Development VII, S.L.	Development of wind farms	-	Vizcaya	100%	3	(1)	-
Eólica Da Cadeira, S.A.	Development of wind farms	-	A Coruña	65%	60	(61)	-
Gesa Energía S.R.L.de C.V.	Development of wind farms	-	Mexico	100%	11,526	(6,310)	420
Sistemas Energéticos Jaralón, S.A. Unipersonal	Development of wind farms	-	Vizcaya	100%	61	1,093	4
Gesan Mexico 1, S.A.P.I. de C.V.	Development of wind farms	EY	Mexico	100%	-	-	-
Gamesa Eólica S.L. "Branch Jamaica"	Development of wind farms	-	Jamaica	100%	-	(21)	2,208
· **Operation of wind farms**							
Baileyville Wind Farm, LLC	Operation of wind farms	-	USA	97%	-	-	-
Windfarm 33 Gmbh	Operation of wind farms	-	Germany	100%	25	(24)	-
Windfarm 35 Gmbh	Operation of wind farms	-	Germany	100%	25	4	-
Windfarm 38 Gmbh	Operation of wind farms	-	Germany	100%	25	(113)	(44)
Windfarm 40 Gmbh	Operation of wind farms	-	Germany	100%	25	(3)	(1)
Windfarm 41 Gmbh	Operation of wind farms	-	Germany	100%	25	(3)	(1)
S.E. Balazote, S.A. Unipersonal	Operation of wind farms	-	Toledo	100%	61	2,600	7
S.E. Cabezo Negro, S.A. Unipersonal	Operation of wind farms	-	Zaragoza	100%	61	442	(1,030)
Sistemas Energéticos La Plana, S.A.	Operation of wind farms	Attest	Zaragoza	90%	421	1,982	(215)
Sistemas Energéticos La Jimena, S.A.	Operation of wind farms	-	Soria	60%	61	(639)	(3)
Sistemas Energéticos Barandón, S.A.	Operation of wind farms	-	Valladolid	100%	61	(14)	-
Eoliki Peloponisou Lakka Energiaki A.E.	Operation of wind farms	EY	Greece	86%	59	(63)	(5)
Eoliki Attikis Kounus Energiaki A.E.	Operation of wind farms	EY	Greece	86%	59	(63)	(5)
Sistemas Energéticos Ventorrillo, S.A. Unipersonal	Operation of wind farms	-	Sevilla	100%	61	(70)	(1)
Sistemas Energéticos de Tarifa, S.L. Unipersonal.	Development of wind farms	-	Vizcaya	100%	61	141	(226)
Sistemas Energéticos Argañoso, S.L. Unipersonal	Development of wind farms	-	Vizcaya	100%	61	(27)	-
Sistemas Energéticos del Sur, S.A.	Operation of wind farms	-	Sevilla	70%	600	(458)	(7)
Sistemas Energéticos los Nietos, S.A. Unipersonal	Operation of wind farms	-	Sevilla	100%	61	(6)	-

COMPANIES	LINE OF BUSINESS	AUDITOR	LOCATION	% OF DIRECT AND INDIRECT OWNERSHIP	SHARE CAPITAL	RESERVES	PROFIT AFTER TAXES
Sistemas Energéticos Sierra de Lourenza, S.A. Unipersonal	Operation of wind farms	-	Vizcaya	100%	61	(2,114)	(95)
Sistemas Energéticos Loma del Reposo, S.L. Unipersonal	Development of wind farms	-	Vizcaya	100%	61	(17)	-
Sistemas Energéticos Edreira, S.A. Unipersonal	Operation of wind farms	-	A Coruña	100%	61	(38)	-
Sistemas Energéticos Campoliva, S.A. Unipersonal	Operation of wind farms	-	Zaragoza	100%	61	(9)	-
Sistemas Energéticos Carril, S.L.Unipersonal	Development of wind farms	-	Vizcaya	100%	61	(5)	-
Gesacisa Desarrolladora S.A. de C.V.	Operation of wind farms	EY	Mexico	100%	6	3,423	173
Sistemas Energéticos Alcohujate, S.A. Unipersonal	Operation of wind farms	-	Toledo	100%	61	(462)	(25)
Energiaki Megas Lakkos, S.A.	Operation of wind farms	EY	Greece	100%	60	(56)	(6)
SAS SEPE Lingevres	Operation of wind farms	-	France	100%	4	12	(10)
SAS SEPE St. Loup de Saintonge	Operation of wind farms	-	France	100%	4	12	(2)
SAS SEPE Villiers Vouille et Yversay	Operation of wind farms	-	France	100%	4	7	(7)
SAS SEPE Dampierre Prudemanche	Operation of wind farms	EY	France	100%	37	(188)	(9)
SAS SEPE Germainville	Operation of wind farms	EY	France	100%	37	(40)	(9)
SAS SEPE Ecueille	Operation of wind farms	EY	France	100%	4	(69)	(12)
Sistemas Energéticos el Valle, S.L.	Operation of wind farms	-	Navarra	100%	3	(2)	-
Sistemas Energéticos Fonseca, S.A. Unipersonal	Operation of wind farms	-	A Coruña	100%	61	(5,112)	(254)
Sistemas Energéticos del Umia, S.A. Unipersonal	Operation of wind farms	-	A Coruña	100%	61	(109)	-
Sistemas Energéticos Cuntis, S.A.	Operation of wind farms	-	A Coruña	100%	61	(139)	-
Sistemas Energéticos La Cámara, S.L.	Operation of wind farms	-	Sevilla	100%	3	1,115	353
Sistemas Energéticos Fuerteventura, S.A. Unipersonal	Operation of wind farms	-	Canarias	100%	61	(16)	(27)
Sistemas Energéticos Alto de Croa, S.A. Unipersonal	Operation of wind farms	-	A Coruña	100%	61	(371)	(21)
Sistemas Energéticos Cabanelas, S.A. Unipersonal	Operation of wind farms	-	A Coruña	100%	61	(627)	(32)
Abruzzo Vento, S.R.L	Construction and Operation of wind farms	-	Italy	90%	30	(40)	(1)
EBV Holding Verwaltung GmbH	Development of wind farms	-	Germany	100%	25	19	-
Gamesa Europa, S.L.	Development of wind farms	-	Galicia	100%	3	(34)	(91)
Sistemas Energéticos Boyal, S.L.	Operation of wind farms	-	Zaragoza	60%	3	(426)	(748)
Energiaki Arvanikos, MEPE	Operation of wind farms	-	Greece	100%	5	(173)	(42)
Sistema Eléctrico de Conexión Montes Orientales, S.L.	Operation of wind farms	-	Granada	83%	45	(7)	-
Sistemas Energéticos Loma del Viento, S.A. Unipersonal	Operation of wind farms	-	Sevilla	100%	61	(6)	-
Sistemas Energéticos Sierra de las Estancias, S.A. Unipersonal	Operation of wind farms	-	Sevilla	100%	61	2,512	(2,617)
Sistemas Energéticos Cuerda Gitana, S.A. Unipersonal	Operation of wind farms	-	Sevilla	100%	61	6,655	(3,284)
Parco Eolico Tuturano S.R.L.	Operation of wind farms	-	Italy	100%	30	(13)	(1)
Parco Eolico Prechicca S.R.L.	Operation of wind farms	-	Italy	100%	30	(14)	(1)
Paro Eolico Monte Maggio Scalette S.R.L.	Operation of wind farms	-	Italy	100%	30	(27)	(7)
Osiek Sp. Z o.o	Operation of wind farms	-	Poland	100%	11	(105)	(63)
Sistemas Energéticos Monte Genaro, S.L. Unipersonal	Operation of wind farms	-	Vizcaya	100%	3	(1)	-
Sistemas Energéticos Sierra de Valdefuentes, S.L. Unipersonal	Operation of wind farms	-	Vizcaya	100%	3	(87)	-
Sistemas Energéticos Sierra del Carazo, S.L. Unipersonal	Operation of wind farms	-	Vizcaya	100%	3	(87)	-
Harelaw Renewable Energy Park Ltd.	Operation of wind farms	-	UK	100%	-	-	-
Shap Renewable Energy Park Ltd.	Operation of wind farms	-	UK	100%	-	-	-
Watford Gap Renewable Energy Park Ltd.	Operation of wind farms	-	UK	100%	-	-	-
Aberchalder Renewable Energy Park Ltd.	Operation of wind farms	-	UK	100%	-	-	-
Windfarm Ringstedt II, GmbH	Operation of wind farms	-	Germany	100%	4,670	(4,848)	(27)
Llynfi Renewable Energy Park Ltd.	Operation of wind farms	-	UK	100%	-	-	(239)
Llanfynydd Renewable Energy Park Ltd.	Operation of wind farms	-	USA	100%	-	-	-
Windfarm Gross Hsslow GmbH	Operation of wind farms	-	Germany	100%	4,215	(4,422)	(29)
Sistemas Energéticos de Gran Canaria	Operation of wind farms	-	Canarias	100%	3	(4)	(55)
Ger Baraganu S.R.L	Production of electric energy	-	Romania	100%	-	(14)	(4)
Ger Independenta S.R.L.	Production of electric energy	-	Romania	100%	-	(13)	(5)

COMPANIES	LINE OF BUSINESS	AUDITOR	LOCATION	% OF DIRECT AND INDIRECT OWNERSHIP	SHARE CAPITAL	RESERVES	PROFIT AFTER TAXES
Sistemas Energéticos de Gran Canaria	Operation of wind farms	-	Canarias	100%	3	(4)	(55)
Ger Baraganu S.R.L	Production of electric energy	-	Romania	100%	-	(14)	(4)
Ger Independenta S.R.L.	Production of electric energy	-	Romania	100%	-	(13)	(5)
Ger Ludus S.R.L.	Production of electric energy	-	Romania	100%	-	(15)	(4)
Lingbo SPW AB	Production of electric energy	EY	Sweden	100%	273	2,337	1
Innovación Eólica de Salamanca S.L.	Production of electric energy	-	Burgos	78%	6	(34)	(7)
Central Eolica de Mexico I, S.A. de C.V.	Operation of wind farms	-	Mexico	100%	7	(93)	(531)
Energía Eólica de Mexico	Operation of wind farms	-	Mexico	50%	-	201	(187)
Energía Renovable del Istmo	Operation of wind farms	-	Mexico	50%	-	194	(198)
Elliniki Eoliki Energiaki Kseropousi SA	Operation of wind farms	-	Greece	86%	108	(6)	(3)
Elliniki Eoliki Energiaki Pirgos SA	Operation of wind farms	-	Greece	86%	176	(11)	(3)
Elliniki Eoliki Energiaki Kopriseza SA	Operation of wind farms	-	Greece	86%	-	(3)	(1)
Elliniki Eoliki Energiaki LIKOURDI SA	Operation of wind farms	-	Greece	86%	-	(3)	0
LICHNOWY Windfarm Sp. z o.o.	Operation of wind farms	-	Poland	100%	1	1	(10)
UJAZD Sp. z o.o.	Operation of wind farms	-	Poland	100%	1	-	(10)
Infraestructura Generación Valdeconejos, SL.	Operation of wind farms	-	Zaragoza	100%	3	(7)	-
Whitehall Wind, LLC	Operation of wind farms	-	USA	100%	-	-	-
Energiaki Flabouro EPE	Operation of wind farms	-	Greece	100%	5	(13)	(20)
Fanbyn2 Vindenergi AB	Operation of wind farms	-	Sweden	100%	6	(1)	-
A.2 Manufacture of wind turbines							
Gamesa Eólica, S.L. Unipersonal	Wind-powered facilities	EY	Navarra	100%	201	365,889	13,332
Gamesa Innovation & Technology, S.L. Unipersonal	Manufacture of moulds, blades and provision of central services (engineering)	EY	Navarra	100%	4,355	488,271	51,370
Estructuras Metálicas Singulares, S.A.	Manufacture of towers and wind turbines	EY	Navarra	100%	61	6,678	28
Gamesa Wind, GMBH	Wind-powered facilities	EY	Germany	100%	995	(20,694)	(3,509)
Gamesa Eólica Italia, S.R.L.	Wind-powered facilities	EY	Italy	100%	100	242	4,599
Gamesa Wind UK Limited	Manufacture and holding Company	EY	UK	100%	17,060	(14,470)	(456)
Gamesa Lanka Private Limited	Manufacture and holding Company	EY	Sri Lanka	100%	39	183	18
Gamesa Wind Romania, SRL	Development of wind farms	EY	Romania	100%	111	22,459	1,319
Gamesa Singapore Private Limited	Manufacture and holding Company	EY	Singapur	100%	-	(4,271)	(328)
Gesa Eólica Honduras, S.A.	Manufacture and holding Company	-	Honduras	100%	1	(649)	133
Gamesa Eólica VE, C.A.	Manufacture and holding Company	-	Venezuela	100%	18	(29)	(7)
Gamesa Taiwan Limited	Manufacture and holding Company	-	Taiwan	100%	-	-	-
Gamesa Finland OY	Manufacture and holding Company	-	Finlandia	100%	3	(184)	818
Servicios Eólicos Globales, S.R.L. de C.V.	Manufacture and holding Company	-	Mexico	100%	3	60	20
Gamesa Mauritania SARL	Manufacture and holding Company	-	Mauritania	100%	3	(149)	387
Gamesa Ukraine, LLC	Manufacture and holding Company	-	Ucrania	100%	-	-	-
Gamesa Uruguay S.R.L	Wind-powered facilities	-	Uruguay	100%	1	2,634	(496)
Gamesa Eólica Nicaragua, S.A.	Wind-powered facilities	-	Nicaragua	100%	2	575	391
Gamesa Kenya Limited, S.L.	Wind-powered facilities	-	Kenya	100%	2	88	(74)
Gamesa Puerto Rico CRL	Wind-powered facilities	-	Puerto Rico	100%	1	24	(15)
Gamesa Belgium, S.R.L	Wind-powered facilities	EY	Belgium	100%	19	-	(190)
Gamesa Israel, LTD.	Wind-powered facilities	EY	Israel	100%	-	9	571
Gamesa Mauritius LTD	Wind-powered facilities	EY	Mauricio Islands	100%	-	-	54
B9 ENERGY O&M LIMITED	Wind-powered facilities	EY	UK	100%	1,659	(294)	(472)
RSR Power Private Limited	Manufacture and holding Company	-	India	100%	2	6	(221)
Gamesa Energia Portugal	Wind-powered facilities	-	Portugal	100%	475	5,774	(49)
Gamesa Renewable Private Limited	Wind-powered facilities	EY	India	100%	207,781	(26,035)	53,509
Gamesa Blade Tianjin Co Ltd.	Design, manufacture and assembly of blades	EY	China	100%	12,000	16,116	(6,839)
Gamesa Wind Energy System Development Co Ltd.	Manufacture of wind components and maintenance of wind farms	EY	China	100%	200	(6,110)	1,185
Gamesa Wind Tianjin Co, Ltd.	Manufacture of wind components	EY	China	100%	8,198	57,371	35,679
Gamesa Trading Co, Ltd.	Raw materials (Trader)	EY	China	100%	49	(100)	(65)
Gamesa Cyprus Limited	Manufacture and holding Company	-	Cyprus	100%	1	1,661	(12)
Gamesa New Zeland Limited	Manufacture and holding Company	-	New Zealand	100%	-	212	203
Gamesa Eolica France SARL	Wind-powered facilities	EY	France	100%	8	6,547	(368)

COMPANIES	LINE OF BUSINESS	AUDITOR	LOCATION	% OF DIRECT AND INDIRECT OWNERSHIP	SHARE CAPITAL	RESERVES	PROFIT AFTER TAXES
Gamesa Wind Bulgaria, EOOD	Manufacture, Construction and Operation of wind farms	EY	Bulgaria	100%	143	1,726	1,517
Gamesa Eolica France SARL	Wind-powered facilities	EY	France	100%	8	6,547	(368)
Cantarey Reinosa, S.A. Unipersonal	Manufacture of electric generators	EY	Cantabria	100%	4,217	24,597	(176)
Gamesa Wind South Africa PTY LTD	Manufacture and holding Company	-	South Africa	100%	1	(34)	(30)
Gamesa Australia PTY, LTD	Manufacture and holding Company	-	Australia	100%	-	(1,352)	(462)
Gamesa Chile SpA	Manufacture and holding Company	-	Chile	100%	8	(12)	80
Gamesa Dominicana, S.A.S.	Manufacture and holding Company	EY	Dominican Republic	100%	6	(1,696)	(590)
Gamesa Energy Transmission, S.A. Unipersonal	Manufacture of wind components	EY	Vizcaya	100%	21,660	50,184	3,323
Gesa Eólica Mexico, S.A. de C.V.	Wind-powered facilities	EY	Mexico	100%	3	43,936	11,624
Gamesa Energía Polska Sp. Z.o.o	Wind-powered facilities	-	Poland	100%	9,878	20,343	5,352
Parque Eólico Dos Picos, S.L. Unipersonal	Operation of wind farms	-	Vizcaya	100%	1,229	(67)	(94)
Gamesa Morocco, SARL	Wind-powered facilities	-	Marruecos	100%	1	406	(194)
Gamesa Wind Energy Services, Ltd	Manufacture and holding Company	-	Turkey	100%	41	(1,604)	(380)
Gamesa Eólica Costa Rica, S.R.L.	Manufacture and holding Company	-	Costa Rica	100%	-	(5,512)	321
Gamesa Wind Sweden, AB	Manufacture and holding Company	EY	Sweden	100%	2,526	(95)	(1,754)
Gamesa Japan Kabushiki Kaisha	Manufacture and holding Company	-	Japan	100%	8,588	(9,203)	317
Gamesa Wind Hungary KTF	Manufacture and holding Company	EY	Hungary	100%	12	5,657	693
Gamesa Eólica Greece E.P.E	Manufacture and holding Company	-	Greece	100%	18	4,091	(2,558)
Jilin Gamesa Wind Co., Ltd.	Manufacture and holding Company	EY	China	100%	1,630	(6,999)	(472)
Inner Mongolia Gamesa Wind Co.,Ltda.	Manufacture and holding Company	EY	Mongolia	100%	1,651	(7,012)	231
Rajgarh Windpark Private Limited	Manufacture and holding Company	Otros	India	51%	2	(1)	-
Gamesa Ireland Limited	Manufacture and holding Company	EY	Ireland	100%	-	(304)	(65)
GM Navarra Wind Energy Private Limited	Manufacture and holding Company	-	India	100%	153	153	(9)
Gamesa Canada, ULC	Manufacture and holding Company	-	Canada	100%	-	(197)	61
Gamesa Azerbaijan, LLC	Manufacture and holding Company	-	Azerbaijan	100%	-	739	(338)
Gamesa Eólica Brasil, Ltd.	Management of electric facilities	-	Brazil	100%	126,480	(48,085)	23,197
B) GAMESA TECHNOLOGY CORPORATION GROUP							
Gamesa Technology Corporation, Inc	Administrative management services	EY	USA	100%	24,942	363,537	41,865
Gamesa Wind US, LLC	Maintenance services of wind farms	EY	USA	100%	88	(452,377)	46,062
Gamesa Wind, PA, LLC	Manufacture and assembly of wind turbines	EY	USA	100%	81	320,570	2,787
Cedar Cap Wind, LLC	Operation of wind farms	-	USA	100%	-	-	-
Crescent Ridge II, LLC	Operation of wind farms	-	USA	100%	-	-	-
2Morrow Energy, LLC	Operation of wind farms	-	USA	100%	1,461	(26,868)	(199)
Mahantango Wind, LLC	Operation of wind farms	-	USA	100%	-	-	-
Pocahontas Prairie Wind, LLC	Operation of wind farms	-	USA	100%	-	(64,395)	(5,579)
C) OTHERS							
Cametor, S.L.	Ownership of non-current assets	-	Vizcaya	100%	3,902	8,619	57
Gamesa Venture Capital, S.C.R. de Régimen Simplificado, S.A. Unipersonal	Promotion of companies	-	Spain	100%	600	18	1
Gamesa Financiación S.A.Unipersonal	Promotion of companies	-	Spain	100%	60	-	-
D) CONSOLIDATES COMPANIES BY THE EQUITY METHOD							
Windar Renovables, S.L. and subsidiaries	Holding companie of the towers manufacture companies	PWC	Asturias	32%	9	53,934	10,337
Energías Renovables San Adrián de Juarros, S.A.	Construction and Operation of wind farms	-	Burgos	45%	60	(9)	-
Windkraft Trinnwillershagen Entwicklungsgesellschaft, GmbH	Development of wind farms	-	Germany	50%	51	733	7
Sistems Electrics Espluga S.A.	Operation of wind farms	-	Barcelona	50%	61	(462)	38
9Ren España, S.L.	Solar	-	Spain	49%	11,957	15,083	(618)
Kintech Santalpur Windpark Private Limited	Manufacture and holding Company	-	India	49%	77	(279)	5
Baja Wind, LLC	Manufacture and holding Company	-	USA	50%	-	-	-
New Broadband Network Solutions, S.L.	Manufacture and holding Company	-	Madrid	31%	561	(1,313)	(241)

COMPANIES	LINE OF BUSINESS	AUDITOR	LOCATION	% OF DIRECT AND INDIRECT OWNERSHIP	SHARE CAPITAL	RESERVES	PROFIT AFTER TAXES
Adwen Offshore S.L. and subsidiaries	Offshore Business	EY	Spain	50%	50,003	150,190	(52,065)

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Financial Statements for the year ended December 31, 2015:

- Balance sheet at December 31, 2015
- Income statements for the year ended December 31, 2015
- Statements of changes in equity for the years ended December 31, 2015
- Statements of cash flows for the year ended December 31, 2015
- Notes to the Financial Statements for the year end December 31, 2015

Management report for the year end December 31, 2015

Translation of Financial Statements originally issued in Spanish and prepared in accordance with the regulatory financial reporting framework applicable to the Company (see Note 22). In the event of a discrepancy, the Spanish-language version prevails.

GAMESA CORPORACIÓN TECNOLÓGICA, S.A.

Notes to the Annual Accounts for the year ended December 31, 2015

1. ACTIVITIES AND CORPORATE PURPOSE

The Company Gamesa Corporación Tecnológica, S.A. (hereinafter “the Company” or “GAMESA”) was incorporated as a public limited liability company on January 28, 1976. Its registered office is located in Zamudio (Vizcaya, Spain), Parque Tecnológico de Bizkaia, Edificio 222.

Its corporate purpose is the promotion and development of companies through temporary ownership interests in their share capital, for which it can perform the following transactions:

a) Subscription and acquisition of shares, or securities that are convertible into shares, or which grant rights for their preferential acquisition, in companies whose shares may be listed or not on Spanish or foreign stock markets.

b) Subscription and acquisition of fixed-income securities or any other securities issued by the companies in which it holds an interest, as well as the granting of participating loans or guarantees.

c) Direct provision to investees of counselling, technical assistance and other similar services related to the management of investees, to their financial structure or to their production or marketing processes.

The above activities will focus on the promotion, design, development, manufacture and supply of products, facilities and technologically advanced services in the renewable energy sector.

All the activities which make up the aforementioned company object may be carried on in Spain or abroad, and may be carried on indirectly (totally or partially) through the ownership of shares or other equity investments in companies with an identical or a similar corporate purpose. The Company may not carry on any business activity for which the applicable legislation provides for specific conditions or limitations unless it fully meets such conditions or limitations.

The Company's bylaws and other public information on the Company may be consulted on the website www.gamesacorp.com and at its registered office.

The Company is the parent of a group of subsidiaries and in accordance with current legislation it is required to prepare separate Consolidated Financial Statements. The Consolidated Financial Statements of Gamesa Corporación Tecnológica, S.A. and subsidiaries (hereinafter “GAMESA Group”) for 2015 have been prepared by the Directors at a Board of Directors meeting held on February 24, 2016. The Consolidated Financial Statements for 2014 were approved by the shareholders at the Annual General Meeting of GAMESA held on May 8, 2015 and were filed at the Vizcaya Mercantile Registry.

The GAMESA Group currently operates as a manufacturing group and principal supplier of cutting-edge products, facilities and services in the renewable energy industry, as well as maintenance services rendered, structured into the following business units:

- Wind Turbines (*)
- Operation and Maintenance

(*) Wind turbine manufacturing includes the development, construction and sale of energy plants.

Environmental Information

In view of the business activities carried on by GAMESA, it does not have any environmental liability, expenses, assets, provisions or contingencies that might be material with respect to its equity, financial position and results. Therefore, the directors did not include any specific disclosures relating to environmental issues in these notes to the Financial Statements.

2. BASIS OF PRESENTATION OF THE ANNUAL ACCOUNTS

2.1 Financial reporting legislation applicable to the Company

These Financial Statements have been prepared by the Directors in accordance with the financial reporting legislation applicable to the company established by:

- The Commercial Code and other mercantile legislation.
- The Spanish General Accounting Plan approved by Royal Decree 1514/2007 and the amendments made by Royal Decree 1159/2010 and industry adaptations in order to provide a true and fair view of its equity, financial situation and the results obtained, as well as the accuracy of the cash flows included in the cash flow statement.
- The mandatory standards approved by the Accounting and Audit Institute to enable the General Accounting Plan and its supplementary regulations, as well as the mandatory standards approved by the National Stock Market Commission.
- All other applicable Spanish accounting legislation.

2.2 True and fair view

The accompanying Annual Accounts have been prepared on the basis of the Company's accounting records and are presented in compliance with applicable financial reporting legislation, particularly the accounting standards and policies established therein, so as to provide a true and fair view of the Company's net worth, its financial situation, the results of its operations and cash flows for the year. These Annual Accounts, which have been prepared by the Directors of the Company, will be submitted for the approval of the General Meeting and it is expected that they will be approved without any modification being made. The Financial Statements for 2014 were approved by the Company's shareholders at a General meeting held on May 8, 2015.

The figures contained in the balance sheet and the explanatory notes are expressed in thousands of euros (the Company's functional currency).

2.3 Non-mandatory accounting principles applied

No non-mandatory accounting principles have been applied. In addition, the Directors have prepared these Annual Accounts bearing in mind all applicable accounting principles and standards that are mandatory and have a significant effect on these Annual Accounts.

All accounting principles having a significant effect on the accounts have been applied.

2.4 Critical aspects of the valuation and estimation of uncertainty

When preparing the accompanying Financial Statements estimates made by Company's Directors have been used in order to measure some assets, liabilities, income, expenses and commitments recorded in the accounts. These estimates relate basically to the following:

- Calculation of provisions: At the end of each reporting period Company's Director estimates the liabilities arising from litigation and similar events which require the recognition of provisions of a tax and legal nature. Although the Company considers that the cash outflows will take place in the coming years, it cannot predict the settlement date of these liabilities and, therefore, it does not make an estimate of the specific dates of the cash outflows, considering the effect of a potential discount to present value to be not significant (Note 13).

- The evaluation of possible impairment losses affecting certain assets such as receivables and interests in group companies and associates (Notes 9 and 19).

- Useful life of property, plant and equipment and intangible assets. Company management estimates the useful life and relevant depreciation and amortization charges for its property, plant and equipment and intangible assets, respectively (Notes 6 and 7).

- Company management has made a series of assumptions to calculate liabilities for commitments to employees.

- Corporate income tax and deferred tax assets: The status of tax regulations applicable to the Company entails the need for estimated calculations and a final quantification of the uncertain tax. The calculation of the tax is carried out based on Company management's best estimates in accordance with the current tax situation and bearing in mind the foreseeable evolution of tax legislation.

  The Company evaluates the recovery of deferred tax assets based on estimates of future taxable income by analysing whether or not this income will be sufficient for the Company and the tax group to which it belongs during the periods in which the deferred tax assets are deductible.

  Where the final tax outcome is different from the amounts that were initially recorded, such differences will impact income tax in the period in which such determination is made (Note 16).

- Contingent liabilities: The Company's management considers that there are no significant contingent liabilities at December 31, 2015 and 2014.

Despite the fact that these estimates have been made based on the best information available at the end of 2015, it is possible that events may take place in the future which will require them to be changed (upwards or downwards) in future years, which would be done on a prospective basis.

2.5 Comparison of information

In accordance with the current mercantile legislation, is presented for comparative purposes with each one of the headings in the balance sheet, the profit and loss account, the statement of changes in equity and the cash flow statement, in addition to the figures for the year 2015, the corresponding to the previous year. In the memory is also includes quantitative information in the prior financial year, except when an accounting rule specifically provides that it is not necessary.

2.6 Grouping of items

For the purposes of facilitating the understanding of the balance sheet, the profit and loss account, the statement of changes in equity and the cash flow, these Financial Statements are presented in a group format and all necessary analysis is set out in the notes to the Financial Statements.

3. DISTRIBUTION OF RESULT

The distribution of the net profit for 2015 that the Board of Directors of GAMESA will propose for approval by the shareholders at the General Meeting is as follows:

(Thousands of euros)	2015
Distribution basis:	
Profit for the year	76,883
Total	**76,883**
Distribution:	
Voluntary reserves	34,322
Dividends	42,561
Total	**76,883**

4. ACCOUNTING POLICIES AND MEASUREMENT BASIS

The main accounting and measurement policies followed by GAMESA during the preparation of the Financial Statements, in accordance with those stipulated in the Spanish General Accounting Plan, are as follows:

4.1 Intangible assets

As a general rule, intangible assets are initially recongised at acquisition or production cost. Subsequently they are measured at cost, less accumulated amortization and any applicable impairment loss. These assets are amortised over their useful life (Note 6).

Computer software

The Company uses this account to record the costs incurred on the acquisition and development of software. Software maintenance costs are recorded in the income statement for the year in which they arise. Software is amortised on a straight-line basis over three years.

4.2 Impairment of assets

At the end of each year (in the case of goodwill or intangible assets with an indefinite useful life) or when there are indications of impairment (for all other assets) the Company applies impairment tests to determine the possible existence of impairments that reduce the recoverable value of those assets to an amount lower than their carrying value.

If there is objective evidence that the carrying value is not recoverable, the relevant value adjustments are reflected for the difference between the carrying value and recoverable amount, understood as the higher of fair value less costs to sell and the present value of cash flows from the investment.

4.3 Property, plant and equipment

Property, plant and equipment is initially recongised at acquisition or production cost (Note 7) and subsequently reduced by accumulated depreciation and any impairment losses, in accordance with the policy mentioned under Note 4.2.

Property, plant and equipment upkeep and maintenance expenses are recognised in the income statement for the year in which they are incurred. However, the costs of improvements leading to increase capacity or efficiency or to a lengthening of the useful lives of the assets are capitalised.

The Company depreciates its property, plant and equipment by the straight-line method at annual rates based on the years of estimated useful life of the assets, the detail being as follows:

	Avarage estimated useful life
Other equipment and furnishings	6 – 10
Tooling	3 – 4
Another property, plant and equipment	3 – 5

4.4 Leases

Leases are classified as finance leases whenever the terms of the lease transfer substantially all the risks and rewards incidental to ownership of the leased asset to the lessee. All other leases are classified as operating leases. The Company only records leases of the latter type (Note 8).

Revenues and expenses deriving from operating leases are charged to the income statement in the year incurred.

A payment made on entering into or acquiring a leasehold that is accounted for as an operating lease represents prepaid lease payments that are amortised over the lease term in accordance with the pattern of benefits provided.

4.5 Financial instruments

Financial assets

Financial assets held by the company are classified into the following categories:

a) Loans and receivables: Loans and receivables are non-derivative financial assets with fixed or determinable payments that are not quoted on an active market. They are included in current assets except for assets maturing in more than 12 months of the balance sheet date which are classified as non-current assets. Loans and receivables are included under “Loans to companies” and “Trade and other receivables” on the balance sheet.

Financial assets are initially carried at fair value, including directly attributable transaction costs, and are subsequently measured at amortised cost. Accrued interest is recongised at the effective interest rate, which is the discount rate that brings the instrument’s carrying amount into line with all estimated cash flows to maturity. Trade receivables falling due in less than one year are carried at their face value at both initial recognition and subsequent measurement, provided that the effect of not discounting flows is not significant.

At the year-end, at least, the necessary value adjustments are made to account for impairment when there is objective evidence that all receivables will not be collected.

The amount of the impairment loss is the difference between the asset’s carrying amount and the present value of estimated future cash flows, discounted at the effective interest rate prevailing at the date of initial recognition. Value adjustments, and reversals, where applicable, will be recongised in the income statement.

b) Investments in the equity of group companies and associates. They are stated at cost less, where appropriate, accumulated value adjustments for impairment. However, when there is an investment prior to being classified as a group, jointly-controlled or associated company the carrying value before being so classified is considered to be a part of the investment cost. The prior measurement adjustments that are directly recorded under equity are maintained there until written off.

If there is objective evidence that the carrying value is not recoverable, the relevant value adjustments are reflected for the difference between the carrying value and recoverable amount, understood as the higher of fair value less costs to sell and the present value of cash flows from the investment. Unless better evidence is available of the recoverable amount, when estimating the impairment of these investments, the investee's equity is taken into account, adjusted for any latent capital gains existing at the measurement date. The value adjustment and, if appropriate, its reversal, are reflected in the income statement for the year in which they arise.

The provisions and reversals on investments in group companies and associates are recorded in operating income, under "Impairment losses on shares in group companies and associates" in accordance with the accounting interpretation in force.

GAMESA has majority stakes in the capital of certain companies and has shareholdings that are equal to or exceed 20% of the share capital in others (Appendix). These Financial Statements do not reflect the effect of applying consolidation or equity method criteria, as appropriate. As a company whose shares are listed on a stock market, GAMESA has presented its Consolidated Financial Statements for 2015 in accordance with International Financial Reporting Standards. Note 9 indicates the effect that the application of consolidation criteria in accordance with International Financial Reporting Standards would have on these Financial Statements.

c) Financial assets held for trading and other financial assets at fair value through profit or loss: Financial assets at fair value through profit or loss are considered to be all those assets held for trading that are acquired with the intention of being sold in the short-term or which form part of an identified securities portfolio that is jointly managed to obtain short-term profits, as well as financial assets designated by the Company at initial recognition to be included under this category as it provides more relevant information. Derivatives are also classified as held for trading provided that they do not consist of a financial guarantee and have not been designated as hedging instruments.

These financial assets are measured, both initially and subsequently, at fair value and any changes affecting this value are taken to the income statement for the year. Directly attributable transaction costs are recongised in the income statement for the year.

d) Available-for-sale financial assets: This category includes debt securities and equity instruments in other companies that have not been classified in any of the preceding categories. They are included in non-current assets unless management intends to dispose of the investment within 12 months of the balance sheet date.

They are stated at fair value, recording the changes that take place directly under equity, up until the asset is disposed of or becomes impaired, the time at which accumulated profits and losses accumulated in equity are charged against the income statement, provided that it is possible to calculate the aforementioned fair value. If this is not the case, they are stated at cost less impairment losses.

In the case of available for sale financial assets, adjustments are made if there is objective evidence of impairment as a result of a reduction or delay in estimated future cash flows in the case of acquired debt instruments or due to the lack of recovery of the carrying value of the asset in the case of equity investments. The adjustment is the difference between their cost and amortised cost less, if appropriate, any adjustment previously recongised in the income statement, and their fair value at the time at which measurement takes place. In the event that the equity instruments are measured at cost because their fair value cannot be calculated, the adjustment is determined in the same manner as for equity investments in group, multi-group and associated companies.

If there is objective evidence of impairment, the Company records accumulated losses previously recongised under equity as a reduction in fair value. Impairment losses on equity instruments recongised in the income statement are not reversed through the income statement.

The fair values of listed investments are based on current bid prices. If the market for a financial asset is not active (and for unlisted securities), the Company establishes fair value by using measurement techniques which include the use of recent transactions between knowledgeable willing parties, reference to other instruments which are substantially identical, methods of discounting future cash flows and models for setting option prices by making maximum use of observable market data and relying as little as possible on the Company's subjective considerations.

Financial assets are eliminated from the balance sheet when all risks and benefits inherent to ownership are substantially transferred. In the specific case of accounts receivable, the understanding is that this takes place in general when the risks of insolvency and default have been transferred.

Financial liabilities

e) Borrowings and payables: This category includes trade and non-trade payables. Borrowings are classified as current liabilities unless the Company has an unconditional right to defer settlement for at least 12 months as from the balance sheet date.

Payables are initially recongised at fair value, adjusted for directly attributable transaction costs, and subsequently measured at amortised cost using the effective interest method. The effective interest rate is the discount rate that brings the instrument's carrying amount into line with the expected future flow of payments to the maturity date of the liability.

Notwithstanding the above, loans for commercial operations maturing within one year, and which do not have a contractual interest rate, are stated, both at the time of initial recognition as well as subsequently, at their nominal value provided that the effect of not restating the cash flows is not significant.

Should any existing liabilities be renegotiated, no substantial modification to financial liabilities is deemed to exist when the new lender is the same party that granted the initial loan and the present value of cash flows, including net commissions, does not differ by more than 10% of the present value of the cash flows pending payment with respect to the original liability calculated using the same method.

4.6 Transactions and balances in foreign currency other than the euro

The Company's functional currency is the euro. As a result, transactions in currencies other than the euro are considered to be denominated in foreign currency and are recorded at the exchange rates prevailing on the transaction dates.

At the end of the year monetary assets and liabilities denominated in foreign currency are converted using the exchange rate in force at the balance sheet date. Any resulting gains or losses are recognised directly in the income statement in the year in which they arise.

Non-monetary assets and liabilities which are measured at fair value and are denominated in foreign currency are translated at the exchange rates prevailing on the date on which fair value was determined. Gains or losses that are revealed are taken to equity or to profit and loss in accordance with the same criteria used to recognise changes in fair value.

4.7 Corporate income tax

Since 2002 GAMESA and certain subsidiaries located in the Basque Country subject to local corporation tax legislation have filed income tax returns under the special consolidated tax regime. This regime is now regulated under the chapter VI of the title VI of the local Income Tax Regulation 11/2013, of December 5, of the Vizcaya Historical Area. GAMESA therefore applies the criteria established by the Accounting and Audit Institute Resolution dated October 9, 1997 when recognising the accounting effects of that tax consolidation (Note 16).

Corporate income tax expense and revenue consists of the expense or revenue deriving from current taxes and a portion of deferred tax expense or revenue.

Current tax is the amount that the Company pays as a result of the tax returns it files each for corporate income tax purposes. Deductions and other tax benefits applied to tax payable, without taking into consideration withholdings and interim payments, as well as tax-loss carryforwards from prior years effectively applied this year, reduce current taxes.

Deferred tax expense and revenue relates to the recognition and cancellation of deferred tax assets and liabilities. These include temporary differences measured at the amount expected to be payable or recoverable on differences between the carrying amounts of assets and liabilities and their tax bases, and tax loss and tax credit carryforwards. These amounts are recorded by applying the timing difference or credit relating to the tax rate at which they are expected to be recovered or settled.

Deferred tax liabilities for all taxable timing differences are recongised, except those deriving from initial recognition of goodwill or other assets and liabilities in a transaction that does not affect taxable or book results and is not a business combination.

Deferred tax assets are recognised to the extent that it is considered probable that the Company will have taxable profits in the future against which the deferred tax assets can be utilised.

Deferred tax assets and liabilities deriving from transactions involving direct charges or credits to Equity are also recorded under Equity.

At each year end recongised deferred tax assets will be reconsidered and all appropriate adjustments will be made to the extent that there are any doubts regarding future recovery. Deferred tax assets not recongised in the balance sheet are also reviewed at each year end in order to recongise the extent to which it is likely that they may be offset against future taxable profits.

4.8 Income and expenses

Income and expense are recorded on an accruals basis, i.e. in the period in which the income or expense deriving from the goods or services in question is earned or incurred, rather than the period in which the cash is actually received or disbursed. Such income is measured at the fair value of the consideration received, less any discounts and taxes.

Revenue from the rendering of services is recognised by reference to the stage of completion of the transaction at the end of the reporting period, provided the outcome of the benefit can be estimated reliably.

Interest income from financial assets is recognised using the effective interest method and dividend income is recognised when the shareholder's right to receive payment has been established. In any event, interest and dividends from financial assets accrued after the time of acquisition will be recongised as revenue in the income statement.

4.9 Severance indemnities

In accordance with current, GAMESA is required to pay indemnities to employees who, under certain conditions, are dismissed from the Company. Severance indemnities which can be reasonably quantified are expensed in the year in which the related decision is taken and reported. During the financial year 2015 €264 thousands were recognised for severance payments (€439 thousands in the year 2014).

In the Annual Accounts for the year ended December 31, 2015 and 2014 there is no provision whatsoever for this item, since all of the situations reported during both years have been settled at the year-end.

4.10 Environmental assets

Environmental assets are considered to be those which are used on a lasting basis in the Company’s activity and whose main purpose is to minimize environmental impacts and to protect and improve the environment, including the reduction or elimination of future pollution.

Due to its nature, the Company’s activity does not have any significant environmental impact.

4.11 Equity instruments and share-based payments

An equity instrument represents a residual stake in the Company's equity after deducting all liabilities. The equity instruments issued by the Company are recorded under equity at the amount received, net of issue costs.

Treasury shares acquired by the Company during the year are recognised at the value of the consideration paid in exchange, directly as a reduction in equity. The results deriving from the purchase, sale, issue or amortisation of treasury shares are recognised directly in equity and in no case is any gain or loss recognised in the income statement (Note 12.3).

GAMESA recognises the assets and services received as a result of share-based payments as an asset or expense, based on their nature, at the time they were obtained and the relevant increase in equity of the transaction is settled using equity instruments or a liability if the transaction is settled at an amount based on the value of equity instruments (Note 12.4).

In the case of transactions that are settled with equity instruments, both the services rendered and the increase in equity are measured at the fair value of the equity instruments assigned, at the date of the granting agreement. If, to the contrary, it is settled in cash, the assets and services received and the related liability is recognised at the fair value of the latter on the date on which the recognition criteria are met.

In the cases in which GAMESA grants treasury shares to subsidiaries to make payment of these instruments to employees, the fair value balancing entry for the equity instruments delivered is considered to be an increase in the value of the investment that GAMESA has in the subsidiary, unless it is not likely that profits or financial yields will not be obtained, in which case it would be an expense (Notes 9 and 12.4).

4.12 Provisions and contingencies

When preparing the Financial Statements, the Company's Directors make a distinction between:

a) *Provisions*: credit balances covering present obligations arising from past events with respect to which it is probable that an outflow of resources embodying economic benefits that is uncertain as to its amount and/or timing will be required to settle the obligations (Note 13).

b) *Contingent liabilities*: possible obligations as a result of past events whose occurrence depends on the occurrence or non-occurrence of one or more separate future events not within the control of the consolidated entities (Note 13).

The Annual Accounts include all provisions for obligations classed as more likely than not to arise. Contingent liabilities are not recognised in the Annual Accounts, but rather they are reported in the notes to the accounts to the extent that they are not considered to be remote.

Provisions are stated at the present value of the best possible estimate of the amount necessary to cancel or transfer the obligation, taking into account the information available regarding the event and its consequences, and recognising those adjustments that arise from the restatement of those provisions as a financial expense as they accrue.

The compensation to be received from a third party on settlement of the obligation is recognised as an asset, provided that there are no doubts that the reimbursement will take place, unless there is a legal relationship whereby a portion of the risk has been externalised as a result of which the Company is not liable; in this situation, the compensation will be taken into account for the purpose of estimating the amount of the related provision that should be recognised.

4.13 Transactions and balances with related-parties

Transactions between Group companies are initially recongised at fair value. Transactions are subsequently measured in accordance with applicable standards.

However, in transactions involving a merger, spin-off or non-monetary contribution of a business the elements making up the acquired business are measured at their value after the transaction in the consolidated Annual Accounts for the Group or the subgroup.

When the parent company of the group or subgroup and its subsidiary are not involved, the Annual Accounts to be taken into account for these purposes will be those of the larger group or subgroup into which the equity items are incorporated and whose parent company is Spanish.

In these cases, the difference that may arise between the net value of the assets and liabilities of the target company, adjusted for any balance relating to subsidies or donations received and adjusted for any changes in value, and any capital and share premium amount issued by the acquiring company is recongised under reserves.

4.14 Cash and other cash equivalents

This balance sheet heading includes petty cash bank accounts and any deposits and assets acquired under repurchase agreements that meet all of the following requirements:

- Convertible into cash.
- At the time of acquisition the maturity date did not exceed three months.
- They are not subject to a significant risk of changes in value.
- They form part of the Company's normal cash management policy.

4.15 Equity

Share capital consists of ordinary shares.

The cost of issuing new shares is charged directly against equity, as a reduction in reserves.

In the event that the Company’s acquires treasury shares, the price paid, including any directly attributable incremental cost, is deducted from equity until the treasury shares are redeemed, reissued or sold. When these shares are subsequently sold or reissued, any amount received is taken to Equity net of directly attributable incremental costs.

4.16 Estimation of fair value

The fair value of the financial instruments sold on an active markets (such as held-for-trading and available-for-sale equities) is based on the market prices at the balance sheet date. The listed market price used for financial assets is the ordinary purchase price.

The fair value of financial instruments that are not traded in an active market is determined by using valuation techniques. The Company uses a variety of methods and develops assumptions that are based on market conditions existing at each balance sheet date. For long-term debt market prices or agent quotation prices are used. Other techniques, such as estimated discounted cash flows, are used to determine fair value for other financial instruments. The fair value of interest rate swaps is calculated as the present value of estimated future cash flows.

The fair value of forward foreign exchange contracts is determined using listed forward exchange market rates at the balance sheet date.

The carrying amounts of trade receivables and payables are assumed to approximate their fair value. The fair value of financial liabilities for financial reporting purposes is estimated by discounting future contractual cash flows at the current market interest rate that is available to the Company for similar financial instruments.

5. INFORMATION ON THE NATURE AND LEVEL OF RISK OF FINANCIAL INSTRUMENTS

GAMESA is exposed to certain financial risks that it manages by grouping together risk identification, measurement, concentration limitation and oversight systems. GAMESA's Corporate Division and the business units coordinate the management and limitation of financial risks through the policies approved at the highest executive level, in accordance with the established rules, policies and procedures. The identification, assessment and hedging of financial risks are the responsibility of each business unit, also with a corrdination at Group level.

5.1 Market risk (exchange rate)

This risk arises as a result of the international transactions carried out by the GAMESA Group in the ordinary course of its business. Part of its revenues and its expenses are denominated in US dollars, Indian rupees, and Chinese yuan, Brazilian reals and Mexican pesos and, to a lesser extent, other currencies apart from the euro. The main line of action of the hedging strategy is based on maximizing natural hedging of the business by locating the supply of components and the manufacturing in the main regions where the Group is stablished and sells its products (e.g. India, Brazil and China).

Related with the previous information, the Group uses certain methods in order to decrease the exchange rate risk in the contract with clients.

However, the Group also uses financial instruments and hedging strategies in order to manage the exposure of the results to the foreign currency risk, which are affected by fluctuations that occur in the exchange rates.

In order to manage and minimise this risk, GAMESA Group uses hedging strategies aimed to reduce this risk, since its objective is to generate profits only through its ordinary business, and not by speculating in relation to exchange rate fluctuations.

For this purpose, the Group analyses the impact of the foreign currency risk on the basis of its firm order book, the forecasted portfolio and the planned transactions that are highly probable on the basis of contractual evidence. Risk exposure limits are established each year for a time horizon, which is in the range of 12-24 months, although a time horizon of less than one year is also considered which enables the Group, where necessary, to adapt to market trends, always associated with its net cash flows.

The Group’s risk management policy is to cover up a percentage to a maximum of 85% of projected cash flows in each principal currency in the following period ranging 12 and 18 months. Periodically, new cash flow forecasts are updated in order to manage the adequate hedging strategy.

The breakdown of the main foreign currency balances at December 31, 2015 and 2014 is as follows:

	Equivalent value in thousands of euros			
	12.31.2015		12.31.2014	
Currency	**Assets**	**Liabilities**	**Assets**	**Liabilities**
Pound sterling	-	24	29	70
US dollar	9	17	63	270
Other currencies	1	1	3	17
Total	**10**	**42**	**95**	**357**

The detail of the main foreign currency balances, based on the nature of the items concerned, is as follows:

	Equivalent value in thousands of euros			
	12.31.2015		12.31.2014	
Nature of the balances	**Assets**	**Liabilities**	**Assets**	**Liabilities**
Receivables	6	-	61	-
Cash and other liquid assets equivalents	4	-	34	-
Payables and other	-	42	-	357
Total	**10**	**42**	**95**	**357**

5.2 Interest rate risk

The Group uses external financing sources for the performance of some of their operations, so it is exposed to rising interest rates on its debt.

Loans at variable rates expose the Group to interest rate risk, which is partially offset by cash held at variable rates. Loans at fixed rate expose the Group to fair value interest rate risks.

The hedging instruments assigned specifically to debt instruments are limited to a maximum of the same nominal amounts and have the same established maturities as the hedged items.

The GAMESA Group performs a risk management of interest rate analyzing periodically, at least on a semi-annual basis, the loans exposure to the interest rates and terms, determining the ideal percentage of fixed or variable rate, always with a non-speculative hedging purposes.

5.3 Liquidity risk

GAMESA policy holds cash and highly liquid non-speculative short-term instruments through leading banks in order to be able to meet its future obligations. Also, it attempts to maintain a financial debt structure that is in line with the nature of the obligations to be financed and, therefore, the Group’s non-current assets are financed with long-term financing (equity and non-current borrowings), whereas working capital is financed with current borrowings.

5.4 Credit risk

The GAMESA Group is exposed to credit risk to the extent that a counterparty or customer does not meet its contractual obligations. Products and services are sold to customers that have an appropriate and adequate credit history with respect to which solvency analyses are established.

In addition, GAMESA Group's customer portfolio is mainly made up of large electric companies with high credit ratings. For customers with no credit rating and in the case of international sales to non-recurring customers, mechanisms such as irrevocable letters of credit and insurance policies are used to ensure collection. Also, the financial solvency of customers is analysed and specific terms and conditions are included in contracts aimed at guaranteeing payment of the stipulated price.

A substantial part of the credit risk of the accounts receivable is mitigated because they are related to sales to the Group.

6. INTANGIBLE ASSETS

The movements produced during the year 2015 and 2014 in the Heading "Intangible assets" on the balance sheet have been the following:

(Thousands of euros)	Balance at 12.31.2014	Additions/ (Depreciation)	Balance at 12.31.2015
Year 2015			
COST			
Industrial property	23	-	23
Software	2,900	48	2,948
	2,923	**48**	**2,971**
DEPRECIATION			
Industrial property	(23)	-	(23)
Software	(2,509)	(211)	(2,720)
	(2,532)	**(211)**	**(2,743)**
Net total	**391**		**228**

(Thousands of euros)	Balance at 12.31.2013	Additions/ (Depreciation)	Balance at 12.31.2014
Year 2014			
COST			
Industrial property	23	-	23
Software	2,857	43	2,900
	2,880	**43**	**2,923**
DEPRECIATION			
Industrial property	(23)	-	(23)
Software	(2,154)	(355)	(2,509)
	(2,177)	**(355)**	**(2,532)**
Net total	**703**		**391**

At December 31, 2015 and 2014 the Company recorded fully amortised intangible assets that continued to be used, as follows:

(Thousands of euros)	Carrying value (gross) 12.31.2015	Carrying value (gross) 12.31.2014
Industrial property	23	23
Software	1,959	1,958
Total fully depreciated assets	**1,982**	**1,981**

7. PROPERTY, PLANT AND EQUIPMENT

Movements in the accounts included under Property, plant and equipment during 2015 and 2014 are as follows:

(Thousands of euros)	Balance at 12.31.2014	Additions/ (Depreciation)	Balance at 12.31.2015
Year 2015			
COST			
Other installations, tooling and fixtures	2,272	158	2,430
Other property, plant and equipment	1,390	111	1,501
	3,662	**269**	**3,931**
DEPRECIATION			
Other installations, tooling and fixtures	(1,957)	(67)	(2,024)
Other property, plant and equipment	(1,319)	(54)	(1,373)
	(3,276)	**(121)**	**(3,397)**
Net total	**386**		**534**

(Thousands of euros)	Balance at 12.31.2013	Additions/ (Depreciation)	Balance at 12.31.2014
Year 2014			
COST			
Other installations, tooling and fixtures	2,193	79	2,272
Other property, plant and equipment	1,327	63	1,390
	3,520	**142**	**3,662**
DEPRECIATION			
Other installations, tooling and fixtures	(1,818)	(139)	(1,957)
Other property, plant and equipment	(1,220)	(99)	(1,319)
	(3,038)	**(238)**	**(3,276)**
Net total	**482**		**386**

GAMESA's policy is to obtain insurance policies to cover all risks that could affect its property, plant and equipment. At the end of 2015 and 2014 there was no shortfall in the coverage for these risks.

At December 31, 2015 and 2014 the Company recorded fully depreciated property, plant and equipment that continued to be used, as follows:

	Carrying value (gross)	
(Thousands of euros)	12.31.2015	12.31.2014
Other facilities, tooling and furniture	1,782	1,583
Another property, plant and equipment	1,307	1,256
Total	**3,089**	**2,839**

The Company had no commitments to acquire property, plant and equipment at December 31, 2015 and 2014.

8. LEASES

At the end of 2015 and 2014 the Company has contracted the following minimum lease instalments with several lessors, in accordance with current contracts, without taking into account the repercussion of common expenses, inflation increases or future updates of the rent agreed in the contracts.

Operation leases Minimum instalments	(Thousands of euros) Par value 2015	 2014
Less than a year	3,193	4,532
Between 1 and 5 years	6,344	7,378
More than 5 years	1,908	1,485
Total	**11,445**	**13,395**

At December 31, 2015 and 2014 the Company maintains various lease contracts, mainly related with offices located in Zamudio, Pamplona and Madrid. Besides, there are individually no material vehicle lease contracts.

At December 31, 2015 and 2014 the Company held a total of €444 thousands and €447 thousands, respectively, under the heading "Long-term financial investments - Deposits and guarantees provided" (Note 9) for building lease security deposits for the premises at which GAMESA mainly carries out its business.

9. NON-CURRENT FINANCIAL INSTRUMENTS

The balance under the heading "Long-term investments in group companies and associates" and "Non-current financial assets" at the end of 2015 and 2014 is as follows:

(Thousands of euros)	Non-current financial instruments Equity instruments	 Loans, derivatives and others	 Total
Year 2015			
Shareholdings in Group companies and associates	374,317	-	374,317
Deposits and guarantees provided (Note 8)	-	444	444
Total	**374,317**	**444**	**374,761**
Year 2014			
Shareholdings in Group companies and associates	276,108	-	276,108
Available-for-sale assets	113	-	113
Deposits and guarantees provided (Note 8)	-	447	447
Total	**276,221**	**447**	**276,668**

Movement during 2015 and 2014 in "Non-current investments in group companies and associates" and "Non-current financial investments" is as follows:

(Thousands of euros)	Non-current financial instruments Balance at 12.31.2014	Additions	Disposals	(Impairment) /reversal	Balance at 12.31.2015
Year 2015					
Shareholdings in Group companies and associates	276,108	588	(5,880)	103,501	374,317
Loans and receivables available-for-sale assets	113	-	-	(113)	-
Deposits and guarantees (Note 8)	447	-	(3)	-	444
Total	**276,668**	**588**	**(5,883)**	**103,388**	**374,761**

(Thousands of euros)	Non-current financial instruments Balance at 12.31.2013	Additions	Disposals	(Impairment) /reversal	Balance at 12.31.2014
Year 2014					
Shareholdings in Group companies and associates	270,431	4,928	(8,301)	9,050	276,108
Loans and receivables available-for-sale assets	113	-	-	-	113
Deposits and guarantees (Note 8)	445	2	-	-	447
Total	**270,989**	**4,930**	**(8,301)**	**9,050**	**276,668**

9.1 Shareholdings in Group companies and associates

The most significant information relating to Group companies and associates at the end of 2015 and 2014 is as follows:

Company or Group of companies (Note 19 and Appendix)	% Direct interest	% Indirect interest	(Thousands of euros) Carrying value Cost	Accumulated impairment losses	Capital (1)	Rest of equity with no yield (1)	Operating results (1)	Net profit (1)	Dividends collected (Note 19)
Year 2015									
Group companies:									
Gamesa Energía, S.A. Unipersonal (**)	100%	-	164,849	-	35,491	157,752	(12,098)	(33,238)	-
Cametor, S.L. Unipersonal (*)	100%	-	4,577	-	3,902	8,619	116	57	-
Gamesa Technology Corporation, Inc. (*)	100%	-	480,129	(290,712)	24,942	363,537	(8,001)	41,865	-
Gamesa Venture Capital, S.C.R. de Régimen Simplificado (*)	100%	-	600	-	600	18	-	1	-
Associated companies:									
Windar Renovables, S.L. (***)	32%	-	6,104	-	9	43,306	5,261	3,214	-
9Ren España, S.L. (***)	49%	-	42,509	(33,739)	11,957	15,083	(618)	(618)	-
New Broadband Network Solutions, S.L. (*)	31%	-	2,001	(2,001)	560	(1,313)	(241)	(241)	-
Total			**700,769**	**(326,452)**					

(1) This information makes reference to the individual Financial Statements at December 31, 2015, not consolidated, for the respective companies.
(*) Companies not legally required to audit their Annual Accounts.
(**) Companies audited by EY.
(***) Audited by another audit firm.

Company or Group of companies (Note 19 and Appendix)	% Direct interest	% Indirect interest	(Thousands of euros) Carrying value: Cost	Carrying value: Accumulated impairment losses	Capital (1)	Rest of equity with no yield (1)	Operating results (1)	Net profit (1)	Dividends collected (Note 19)
Year 2014									
Group companies:									
Gamesa Energía, S.A. Unipersonal (**)	100%	-	164,337	-	35,491	179,204	1,994	42,868	43,000
Cametor, S.L. Unipersonal (*)	100%	-	4,577	-	3,902	8,386	195	233	-
Gamesa Technology Corporation, Inc. (*)	100%	-	480,053	(394,214)	24,942	342,001	(14,120)	4,666	-
Gamesa Venture Capital, S.C.R. de Régimen Simplificado (*)	100%	-	600	-	600	13	4	3	-
Associated companies:									
Windar Renovables, S.L. (***)	32%	-	6,104	-	9	49,938	4,099	2,761	-
9Ren España, S.L. (***)	49%	-	48,390	(33,739)	11,957	28,859	(5,281)	(5,468)	-
New Broadband Network Solutions, S.L. (*)	39.62%	-	2,150	(2,150)	560	(1,313)	-	-	-
Total			**706,211**	**(430,103)**					

(1) This information makes reference to the individual Financial Statements at December 31, 2014, not consolidated, for the respective companies.
(*) Companies not legally required to audit their Annual Accounts.
(**) Companies audited by EY.
(***) Audited by another audit firm

Changes in the cost of the shareholdings in 2015 and 2014 are as follows (thousands of euros):

Company or Group of companies	Carrying value: Balance at 12.31.2014	Acquisitions	Share capital increase and Shareholder contributions	Incentive plans (Note 12.4)	(Impairment) /reversal of shareholdings	Other movements	Balance at 12.31.2015
Year 2015							
Gamesa Energía, S.A. Unipersonal	164,337	-	-	512	-	-	164,849
Gamesa Technology Corporation, Inc.	85,839	-		76	103,502	-	189,417
New Broadband Network Solutions, S.L.	-	-	-	-	-	-	-
9Ren España, S.L.	14,651	-	(5,880)	-	-	-	8,771
Others	11,281	-	-	-	(1)	-	11,280
Total	**276,108**	**-**	**(5,880)**	**588**	**103,501**	**-**	**374,317**

Company or Group companies	Carrying value: Balance at 12.31.2013	Acquisitions	Share capital increase and Shareholder contributions	Incentive plans (Note 12.4)	(Impairment) /reversal of shareholdings	Other movements	Balance at 12.31.2014
Year 2014							
Gamesa Energía, S.A. Unipersonal	163,289	-	-	1,048	-	-	164,337
Gamesa Technology Corporation, Inc.	63,778	-	-	122	21,939	-	85,839
Gamesa Renewable Private Limited (previously Gamesa Wind Turbines PTV, Lda)	1,131	-	-	-	-	(1,131)	-
New Broadband Network Solutions, S.L.	-	-	150	-	(150)	-	-
Compass Transworld Logistics, S.A.	3,562	3,608	-	-	-	(7,170)	-
9Ren España, S.L.	27,390	-	-	-	(12,739)	-	14,651
Others	11,281	-	-	-	-	-	11,281
Total	**270,431**	**3,608**	**150**	**1,170**	**9,050**	**(8,301)**	**276,108**

The most significant variations of the exercise 2015 have been the following:

- In June 2015 the partners of 9Ren España, S.L. have agreed a payout of share premium that has meant to Company a decrease of the cost of the shareholding in €5,880 thousands. During the year 2015, the Company has had a negative result of 0.6 million euros, in line with the budget of the business plan. There have not been changes on the estimates of future projection used for the analysis of recoverable value mentioned later in this note.

- The impairment provision of the shareholding of Gamesa Technology Corporation, Inc has been partly reversed amounting €103,501 thousands due to the positive performance of this company during the year 2015.

The most significant changes in 2014 were as follows:

- At January 9, 2014 the Company acquired the remaining 49% of shares of Compass Transworld Logistics, S.A. amounting to 3,608 thousand euros, thus owning 100% of the shareholding. Subsequently, at June 27, 2014, the Company sold this participation to the Group Company Gamesa Eólica, S.L. amounting to 7,366 thousand euros, obtaining a profit of €196 thousands registered in the "Impairment loss/profit on disposals of financial instruments" in the income statement for the year 2014.

- On November 28, 2014 the Company sold its 0.52% stake in the company Gamesa Renewable Private Limited (previously Gamesa Wind Turbines PTV, Lda) to the company Gamesa Energía, S.A. amounting to €947 thousands, incurring a loss of €184 thousands resgistered under "Impairment loss/profit on disposals of financial instruments " in the income statement for the year 2014.

- The impairment provision involving Gamesa Technology Corporation, Inc. has been partially reversed, amounting to €21,939 thousands due to the positive evolution of this company in 2014.

- On June 9, 2014 the Company subscribed €150 thousands in the capital increase carried out by New Broadband Networks Solutions, S.L. increasing its share from 18.8% to 39.62% on December 31, 2014.

- 9ren España, S.L. happened to be owned 49% by June 2012 amounting to €48 million. At December 31, 2012, an impairment in the value of participation was identified by updating the business plan of the investee that considered a drop in the estimated activity in Italy and Spain mainly due to the new regulations for the photovoltaic sector to come into force after the entry of the GAMESA Group in the capital of the company, which made the company reconsider its activity in both countries. The estimated impairment based on the aforementioned premises, considering the percentage of participation in the Company, amounted to €21 millions.

  During the year 2014, the company has generated losses of €5.5 million, so Gamesa has updated the analysis of the recoverable value. This recoverable value has been estimated based on the projected cash flows for the coming years taking the new updated business plan into account and given a time horizon of five years, with a growth rate of 1.5% and a discount rate based on the weighted average cost of capital (WACC) estimated at 11%. From a business standpoint, in 2015 financial year the following key assumptions have been considered:

  i. Growth in the MW maintained in the photovoltaic sector over the coming years attaining a target level in 2018, fundamentally due to the expansion in the wind energy plant maintenance market starting in 2015 and 2016.
  ii. Increase in the EBIT margin, attaining a target level of 8%, approximately, in 2018. This is fundamentally due to the improvement in variable and structural costs.

  As a result of this estimation, a further deterioration in the value of participation has been revealed, considering the percentage of participation in the Company, amounting to €12,739 thousands.

A detail of the subsidiaries, joint ventures and associates involved in the consolidation of the Gamesa Group together with information related to them is shown in the Appendix.

None of the subsidiaries, joint ventures and associates of GAMESA are listed on regulated markets.

9.2 Non-current financial information

The breakdown by maturity of the items composing "Long-term financial investments" at December 31, 2015 is as follows:

(Thousands of euros)	2016	2017	2018	2019 and subsequent	Total
Year 2015					
Deposits and guarantees provided	-	-	-	444	444
Total	**-**	**-**	**-**	**444**	**444**

"Other non-current financial assets" are recognised at amortised cost, which fundamentally coincides with their market value.

9.3 Effect of non-consolidation

GAMESA's Financial Statements are presented in compliance with current mercantile legislation. However, the management of GAMESA and Group companies is carried out on a consolidation basis. As a result, GAMESA's Financial Statements do not reflect the financial-equity changes that result from applying consolidation criteria to those shares or the transactions carried out by them, some of which derive from the Group's global strategy. These changes are reflected in the Consolidated Financial Statements for GAMESA Group in 2015.

The main figures in GAMESA's consolidated accounts for 2015 and 2014, prepared in accordance with International Financial Reporting Standards approved by the European Union (IFRS-EU) are as follows:

(Thousands of euros)	12.31.2015	12.31.2014
Total assets	4,640,665	4,251,850
Equity	1,527,204	1,385,413
Parent Company	1,526,908	1,385,320
Minority shareholders	296	93
Net revenues from continuing operations	3,503,802	2,846,157
Profit for the year	169,874	91,169
Parent Company	170,216	91,848
Minority shareholders	(342)	(679)

10. CURRENT FINANCIAL INSTRUMENTS

The breakdown of current financial instruments at December 31, 2015 and 2014 is as follows:

(Thousands of euros)	Current financial instruments: Equity instruments	Loans, derivatives and other	Total
Year 2015			
Loans and receivables:			
Trade receivables for sales and services rendered	-	35	35
Group trade receivables (Note 19)	-	42,794	42,794
Trade receivables	-	97	97
Loans to Group companies (Note 19)	-	523,045	523,045
Current financial investments	-	1,765	1,765
Total	**-**	**567,736**	**567,736**
Year 2014			
Loans and receivables:			
Trade receivables for sales and services rendered	-	40	40
Group trade receivables (Note 19)	-	38,050	38,050
Trade receivables	-	97	97
Loans to Group companies (Note 19)	-	542,918	542,918
Current financial investments	-	1,165	1,165
Total	**-**	**582,270**	**582,270**

11. CASH AND OTHER CASH EQUIVALENTS

“Cash and cash equivalents” includes mainly the Group's cash and short-term bank deposits with an initial maturity of three months or less. Cash and cash equivalents accrue market interest rates. There are no restrictions on the use of the balances.

12. EQUITY AND CAPITAL AND RESERVES

12.1 Share capital

The Share capital of Gamesa Corporación Tecnológica, S.A. at December 31, 2015 and 2014 amounts to €47,476 thousands being composed of 279,268,787 ordinary shares of €0.17 of nominal value each, represented by means of annotations into account, fully subscribed and disbursed.

In September 2014 the company approved a capital increase through the issuance of 25,388,070 actions of €0.17 of nominal value each, with a share premium of €9.13 per action. Therefore, the total amount of the capital increase amounted to 236,109 thousand euros. The capital increase was fully subscribed and paid in. The premium, as required by law, was fully paid at the time of subscription. The costs of the capital increase, amounting €3,592 thousands, were recorded as a reduction of reserves after deducting the tax effect of €1,006 thousands.

Per public information in the possession of the Company, the shareholder structure of GAMESA at December 31, 2015 and 2014 was as follows:

	% Shareholding 12.31.2015	% Shareholding 12.31.2014
Iberdrola, S.A.	19.69%	19.69%
Blackrock Inc. (****)	3.17%	3.21%
Norges Bank (***)	-	3.02%
Dimensional Fund Advisors LP (**)	-	2.68%
Fidelity International Limited (*****)	1.10%	-
Others (*)	76.04%	71.40%
Total	**100.00%**	**100.00%**

(*) All with an ownership interest of less than 3%.

(**) According to the records of the National Securities Market Commission the Company DIMENSIONAL FUND ADVISORS LIMITED held at December 31, 2014 a shareholding stake exceeding 3% of the share capital of Gamesa Corporación Tecnológica, S.A. and is therefore a significant shareholder.

(***) According to the records of the National Securities Market Commission the company Norges Bank held at December 31, 2014 a stake exceeding 3% of Gamesa Corporación Tecnológica, S.A. is therefore a significant shareholder. However, at December 29, 2015 Norges Bank has communicated to the National Securities Market Commission that its participation decreased from 3% on December 22, 2015, becoming a not significant shareholder since that date.

(****) According to the records of the National Securities Market Commission the company Blackrock Inc. held at December 31, 2015 part of their stake (0.166%) in the capital of GAMESA Technological Corporation, S.A. in voting rights linked to the settlement of financial instruments.

(*****) Significant shareholder under article 32 of the Royal Decree 1362/2007 of October 19, on shareholders required to notify their stake due to his residence in a tax heaven or in a country or land of zero taxation or with no effective exchange of tax information.

GAMESA's shares have been listed through the Automated Quotation System (Mercado Continuo) since October 31, 2000 and included in the IBEX 35 index. GAMESA's shares are listed on the Bilbao, Madrid, Barcelona and Valencia and Stock Exchanges.

12.2 Reserves

Share premium

The Limited Liability Companies Law expressly allows the use of the share premium account to increase share capital and there are no specific restrictions with respect to the availability of this balance.

Legal reserve

Under the Spanish Limited Liability Companies Law, 10% of net profit for each year must be transferred to the legal reserve until the balance of this reserve reaches at least 20% of the share capital.

The legal reserve may be used to increase capital in an amount equal to the portion of the balance that exceeds 10% of capital after the increase. Except for the aforementioned purpose, until it exceeds 20% of the share capital, this reserve may be used only to set off losses and this may only be done if other available reserves are insufficient for this purpose. At the end of 2015 this reserve is fully reached.

12.3 Treasury shares

The detail of the total number of treasury shares and of the heading “Equity – Shareholder’s equity - Treasury Shares”, and of the changes therein as a result of the transactions performed in 2015 and 2014, is as follows:

	Number of shares	Thousands of euros
Balance at January 1, 2014	**3,071,587**	**(21,340)**
Acquisitions	38,166,378	(318,875)
Disposals	(38,083,747)	315,342
Balance at December 31, 2014	**3,154,218**	**(24,873)**
Acquisitions	32,771,429	(421,014)
Disposals	(32,808,945)	399,643
Balance at December 31, 2015	**3,116,702**	**(46,244)**

The nominal value of the treasury shares acquired directly or indirectly by GAMESA, together with those already held by GAMESA and its subsidiaries does not exceed 10% of share capital in 2015 or 2014.

On October 30, 2012 Gamesa Corporación Tecnológica, S.A. signed a liquidity agreement with Santander Investment Bolsa, which was reported to the National Securities Market Commission through Relevant Fact of October 31, 2012. Within the framework of this contract, in 2015, GAMESA acquired 32,771,429 treasury shares at an average price of €12.85 and sold 32,808,945 treasury shares at an average price of €12.18. The difference between the cost price and the selling price, amounting €120 thousands, was recorded in "voluntary reserves".

During the year 2014, GAMESA acquired 38,166,378 treasury shares at an average price of €8.36 and sold 38,083,747 treasury shares at an average price of €8.28. The difference between the cost price and the selling price, amounting to €1.653 thousands, was recorded in "Voluntary reserves".

12.4 Incentive plan

2013-2015 Incentive plan

On April 19, 2013 the General Meeting of Shareholders approved the program of delivery of actions linked to the achievement of the objectives of the Business Plan of Company 2013-2015. The Plan consists of a special incentive, multiannual and mixed, payable in cash and shares of the Company, which may give rise (i), after the application of certain coefficients, on the basis of the degree of achievement of strategic objectives, to the payment of a cash bonus ("cash bonus"), and (ii) on the basis of an initial number of assigned actions ("theoretical actions"), to the effective delivery of actions of GAMESA in the date of payment provided for. With regard to the part to be paid in shares, does not guarantee any minimum value of assigned actions.

The Plan cannot exceed a total of 3,000,000 shares, at maximum, and all of the shares to be delivered through the execution of the Plan will originate from the Company's own portfolio. The Plan includes an estimate of the payment of cash bonuses amounting a maximum of €18 million in the event that 100% of the targets are met. This plan is aimed at individuals who, due to their level of responsibility or their position at Gamesa, contribute decisively to the achievement of the Company’s objectives. The Plan has 75 beneficiaries (77 beneficiaries in 2014), notwithstanding the possibility that new hires or, due to transfers or changes in professional levels, others will become new beneficiaries during the period taken into consideration, with respect to the maximum authorized share limit.

The company must recongise services when they are received. GAMESA recorded the rendering of services to the beneficiaries relating to the incentive payable in shares as personnel expenses on an accruals basis, apportioning the estimate of the fair value of the equity instruments assigned over the term of the plan (between January 1, 2013 and December 31, 2015), which gave rise to a charge amounting €1,051 thousands under "Personnel expenses" in the accompanying consolidated income statement for 2015, crediting the heading "Other reserves" under equity in the accompanying consolidated balance sheet at December 31, 2015 (€1,559 thousands in 2014).

To value this programme, GAMESA used the futures pricing formula and the Monte Carlo method, which is widely used in financial practice to measure options, in order to include the effect of market conditions on the value of the transferred equity instruments. The main assumptions used in the measurement were as follows:

- The risk-free rate is 3%.

- To determine the volatility of the shares and the dividends distributed per share, the average value was calculated for the last three months of 2012.
- The dividends accrued during the period of the plan are not paid.

In addition and with respect to the cash incentive, GAMESA has recognised the rendering of services relating to this incentive as a personnel expense on an accruals basis, crediting €3,000 thousands to the heading "Other liabilities" under non-current liabilities in the consolidated balance sheet at December 31, 2015 (€3,031 thousands in 2014). 100% (85% in 2014) of the targets associated with this incentive are assumed to have been met.

In those cases in which GAMESA granted equity instruments to its subsidiaries to make payment of these instruments to beneficiaries, the Company has recorded €588 thousands under the heading "Investments in Group companies and associates-Shareholdings in Group companies and associates" in the accompanying balance sheet at December 31, 2015 (Note 9), crediting the heading "Reserves - Other reserves" under equity, equivalent to the services received and accrued by beneficiaries at subsidiaries (€1,170 thousands in 2014).

13. PROVISIONS AND CONTINGENCIES

The breakdown of provisions in the balance sheet at December 31, 2015 and 2014, as well as the main movements recorded during the year, is as follows:

(Thousands of euros)	12.31.2014	Allocation/ Application	12.31.2015
Short-term provisions			
Other short-term provisions	891	490	1,381
Total short term	**891**		**1,381**

(Thousands of euros)	12.31.2013	Allocation/ Application	12.31.2014
Short-term provisions			
Other short-term provisions	891	-	891
Total short term	**891**		**891**

14. BANK BORROWINGS

At December 31, 2015 and 2014 bank borrowings were as follows:

(Thousands of euros)	Short-term	Long-term	Total
Year 2015			
Loans and Credit lines	234	-	234
Interest payable	-	-	-
Total	**234**	**-**	**234**
Year 2014			
Loans and Credit lines	7,000	24,000	31,000
Interest payable	461	-	461
Total	**7,461**	**24,000**	**31,461**

The breakdown of the total amounts drawn-down and still available at December 31, 2015 and 2014 is as follows:

(Thousands of euros)	Amount drawn-down	Amount still available	Total
Year 2015			
Loans and credit lines	-	5,600	5,600
Total	**-**	**5,600**	**5,600**
Year 2014			
Loans and credit lines	31,000	65,001	96,001
Total	**31,000**	**65,001**	**96,001**

On July 15, 2014 the Bank of Brazil granted a loan for an amount of €21,000 thousands. The final maturity was scheduled on June 29, 2017. On September 26, 2014 Banco Sabadell granted a loan for an amount of €10,000 thousands. The final maturity was scheduled on September 26, 2018. Both loans have been amortised completely in advance during the year 2015.

The loans and credit lines bear payable interests according to the Euribor plus a market spread.

The detail on the annual maturities of the principle loans and credit lines from financial institutions at December 31, is as follows:

(Thousands of euros)	2015	2014
Year 2015	-	7,461
Year 2016	234	7,000
Year 2017	-	7,000
Year 2018 and subsequents	-	10,000
Total	**234**	**31,461**

15. OTHER FINANCIAL LIABILITIES

This heading included at December 31, 2014 a loan that has been fully amortised in advance in the year 2015, granted by the Ministry of Industry, Tourism and Trade in 2010, as assistance to encourage competitiveness in strategic and industrial sectors amounting of €620 thousands.

Additionally, this heading includes the provision for outstanding remuneration to staff derived from Incentive Plan 2013-2015 (Note 12.4).

16. PUBLIC ADMINISTRATIONS AND TAX SITUATION

Since 2002 GAMESA and some of its subsidiaries subject to Basque Country income tax legislation have filed their income tax returns under the special consolidated tax regime. Also, since 2013 those companies are resolved to be under the Group's Special Regime of Value Added Tax included in Chapter IX of the Provincial Law 7/1994 of November 9, of Vizcaya which regulate this tax at its basic level, being GAMESA the parent company of the Tax Group.

The companies composing the Consolidated Tax Group regarding the Income Tax in 2015 are as follows:

- Gamesa Corporación Tecnológica, S.A. (Parent Company).
- Gamesa Electric, S.A.U.
- Gamesa Energía, S.A.U.
- Cametor, S.L.U.
- Gamesa Inversiones Energéticas S.A.
- International Windfarm Development II, S.L.
- International Windfarm Development III, S.L.
- International Windfarm Development IV, S.L.
- Gamesa Europa, S.L.U.
- Sistemas Energéticos Tarifa, S.A.U.
- International Windfarm Development V, S.L.
- International Windfarm Development VI, S.L.
- Gamesa Financiación, S.A.
- Sistemas Energéticos Balazote, S.A.U.
- Sistemas Energéticos Fonseca, S.A.U.
- Sistemas Energéticos Serra de Lourenza, S.A.U.
- Sistemas Energéticos Sierra de Valdefuentes, S.L.U.
- Sistemas Energéticos Sierra del Carazo, S.L.U.
- Sistemas Energéticos Monte Genaro, S.L.U.
- Sistemas Energéticos Argañoso, S.A.U.
- Sistemas Energéticos Carril, S.A.U.
- Sistemas Energéticos Jaralón, S.A.U.
- Sistemas Energéticos Lomas del Reposo, S.A.U.
- International Windfarm Development VII, S.L.
- International Windfarm Development IX, S.L.
- Gamesa Venture Capital, S.A.

The same societies, except Gamesa Financiación S.A. and Gamesa Venture Capital, S.A., are covered by the Special Regime of the Group of Entities of Value Added Tax.

16.1 Current payables to public institutions

The breakdown of current taxes and Social Security payable at December 31, 2015 and 2014 is as follows:

(Thousands of euros)	12.31.2015	12.31.2014
Balances receivables		
VAT refundable	537	4,226
Withholdings refundable and interim payments	3,932	482
Total	**4,469**	**4,708**
Balances payables		
VAT payable	1,451	2,507
Withholdings payable	767	59
Social security	338	314
Sundry taxes payable	-	87
Total	**2,556**	**2,967**

16.2 Reconciliation of reported results and taxable results

The reconciliation between reported profits and taxable profits for GAMESA at the individual level is set out below:

(Thousands of euros)	
Year 2015	
Book profit before taxes	**114,701**
Plus (less) – Permanent differences	(3,006)
Plus (less) – Timing differences	
Other provisions	4,051
Individual tax base	**115,746**
Plus (minus) – Eliminations due to consolidated taxation	-
Individual tax base contributed to the Group	**115,746**
Year 2014	
Book profit before taxes	**52,224**
Plus (less) – Permanent differences	(12,929)
Plus (less) – Timing differences	
Other provisions	4,590
Individual tax base	**43,885**
Plus (minus) – Eliminations due to consolidated taxation	
Dividends from Gamesa Energía, S.A. Unipersonal (Note 19)	(43,000)
Individual tax base contributed to the Group	**885**

During the year 2015, GAMESA has received a dividend of its subsidiary Windar Renovables, S.L (note 19) amounting 3,006 thousand euros. The dividend is not integrated into the tax base of the Company in accordance with the tax legislation in force.

During the year 2014 GAMESA has received dividends of companies forming part of the tax consolidation Group (note 19). As a result of the taxation under the tax consolidation special system, they must be eliminated from the tax base that the Company contributes to the Group.

16.3 Consolidation of reported profits and income tax expense/ (income)

The reconciliation between reported profits and taxable profits is set out below:

(Thousands of euros)	**2015**	**2014**
Book profit before taxes	114,701	52,224
Impact of permanent differences	(3,006)	(55,929)
Tax payable at 28%	**31,275**	**(1,037)**
Others	-	(727)
Tax-loss carryforwards yet to be applied and deductions applied in prior years	6,543	4,329
Total corporate income tax expense / (income)	**37,818**	**2,565**

16.4 Breakdown of total corporate income tax expense/(income)

The detail of the corporate income tax income is as follows:

(Thousands of euros)	**2015**	**2014**
Current tax		
From continuing operations	(598)	(1,764)
Deferred tax		
For continuing operations	38,416	4,329
Total corporate income tax expense / (income)	**37,818**	**2,565**

16.5 Deferred tax assets recognised

The breakdown at December 31, 2015 and 2014 and movements in this account during the year are as follows:

(Thousands of euros)	12.31.2014	Additions	Applications/ Transfers	12.31.2015
Deferred tax assets	2,541	216	-	2,757
Available tax-loss carryforwards pending application	30,337	(19,308)	(6,707)	4,322
Deductions capitalised by the Tax Group	2,025	(19,324)	20,032	2,733
Total deferred tax assets	**34,903**	**(38,416)**	**13,325**	**9,812**

(Thousands of euros)	12.31.2013	Additions	Applications/ Transfers	12.31.2014
Deferred tax assets	7,136	1,285	(5,880)	2,541
Available tax-loss carryforwards pending application	22,071	266	8,000	30,337
Deductions capitalised by the Tax Group	10,025	-	(8,000)	2,025
Total deferred tax assets	**39,232**	**1,551**	**(5,880)**	**34,903**

Tax-loss carryforwards and deductions yet to be applied by the Company may be offset in coming successive years up to the time they become statute barred in 15 years following 2014. At December 31, 2015, the tax group of Gamesa Corporación Tecnológica, S.A. is the dominant Company has outstanding bases to compensate for that has not been recorded by amount of €57,927 thousands (€31,912 thousands in 2014).

Likewise, as of 31 December 2015, Gamesa Corporación Tecnológica, S.A. has has tax credits amounting €4,386 thousands yet to be applied that were generated before entering into the tax consolidation special system (same amount in the year 2014). To the extent that these items concern tax credits generated before entering onto the tax consolidation system, they are only be applied against individual future tax bases generated by GAMESA. Given its activities, and in accordance with the prudence principle, GAMESA has not capitalised the tax effect of these tax credits, which will be recognised as a reduction in corporate income tax expense in the years in which they are effectively applied.

Due to its position as the parent of the tax group, GAMESA records the capitalised deductions pending application on December 31, 2015 under the heading "Deductions capitalised by the tax group". These items were generated by the companies in its tax group this year and in prior years and they have been capitalised and are recognised in accounts payable to those companies (Note 19). At December 31, 2015 Gamesa Corporación Tecnológica S.A. has unrecognised tax credits amounting €96,058 thousands (€116,793 thousands to 31 December 2014).

As a result of the corporate income tax expense estimates made by members of the tax group and the deductions and tax credits recognised, GAMESA, as the parent of the tax group, has recorded a reduction in the existing account payable to group companies by €13,325 thousands in 2014 (the existing payable account with the companies of the Group decreased in an amount of €974 thousands in fiscal year 2014).

16.6 Years open to inspection and tax audit action

As established by current legislation, taxes cannot be considered to be definitive until the relevant returns have been inspected by the tax authorities or four years have elapsed since filing. At 2015 year-end, in Spain the Group had all years since 2011 open for review for corporate income tax and all years since 2012 for the other taxes to which it is liable, The Company's Directors consider that all tax returns have been properly prepared and therefore should there be any dispute regarding the interpretation of the current legislation with respect to the tax treatment of operations, any liabilities that may arise will not significantly affect the accompanying Annual Accounts.

17. GUARANTEES TO THIRD PARTIES

On December 19, 2008, Gamesa Eólica, S.L. (Single-Shareholder Company) (an indirectly wholly-owned investee of Gamesa Corporación Tecnológica, S.A.- Note 19) entered into a financing agreement with the European Investment Bank for a maximum of €200 millions, divided into two parts, €140 millions and €60 millions, respectively. Gamesa Corporación Tecnológica, S.A., together with other GAMESA Group companies directly or indirectly wholly owned by the Company, are joint and several guarantors on first demand to the European Investment Bank with respect to the repayment of the principal, interest, commissions, expenses or any other items, in the event that Gamesa Eólica, S.L. (Sole-Shareholder Company) is unable to make the related repayments. This loan is fully disposed by Gamesa Eólica, S.L at December 31, 2015. On March 31, 2015, Gamesa Eólica, S.L. Unipersonal has amortised in advance 40 million of this credit, maintaining disposed at December 31, 2015 the remaining amount of the loan amounting 160 million euros.

On November 29, 2012, Gamesa Eólica, S.L., (Sole-Shareholder Company) (indirectly investee company at 100% of Gamesa Corporación Tecnológica, S.A. – Note 19) obtained a €260,000 thousands loan from the European Investment Bank to finance innovation, research and development projects relating to the processes of improving existing wind turbines, and the development of new products, The conditions of the new loan establish its maturity date in 2019 and it accrues an interest rate referenced to the euribor rate plus a market spread. This loan is completely disposed by Gamesa Eólica, S.L. (Sole-Shareholder Company) at 2015 and 2014 year-end.

During 2015 and 2014 the Company provided guarantees for obtaining lines of credit and surely by its US subsidiary Gamesa Technology Corporation Inc. amounting a maximum of the equivalent of €129 million and €198 million, respectively; to its Brazilian subsidiary Gamesa Eólica Brazil for an amount equivalent to €64 million and €16 million, respectively; to Gamesa Eólica, S.L. for a maximum of €328 million and €180 million respectively; to Gamesa Energía, S.A. for a maximum of the equivalent of €159 million and €148 million, respectively; to its subsidiary in India, Gamesa Renewable Private Limited (previously Gamesa Wind Turbines, Pvt Ltd), for a maximum of the equivalent of €89 million and €25 million, respectively.

GAMESA believes that no significant liabilities will arise for the Company as a result of these guarantees.

18. OPERATING INCOME AND EXPENSES

18.1 Revenue

The net revenue at December 31, 2015 and 2014 corresponds entirely with operations performed in domestic territory.

18.2 Other operating, accessory and other ordinary revenues

The heading “Other operating income - Accessory and other current revenues” in the accompanying 2015 income statement records €35,508 thousands (€39,463 thousands in 2014) fundamentally relates to services at market value rendered by Company management to other group companies for advisory, assistance and support services rendered to management and other departments, consisting of the monitoring of the business objectives set by the Company (Note 19).

18.3 Other operating expenses

The breakdown of the heading "Other operating expenses" in the income statements for 2015 and 2014 is as follows:

(Thousands of euros)	2015	2014
Leases and royalties (Note 8)	4,471	5,154
Repairs and maintenance	816	1,401
Independent professional services	5,622	6,217
Transport costs	-	8
Insurance premiums	525	557
Bank commissions	3	-
Advertising, publicity and public relations	1,032	877
Utilities	1,307	660
Other services	5,830	4,951
Other taxes	79	26
Total	**19,685**	**19,851**

18.4 Personnel expenses

The breakdown of the heading "Personnel expenses" in the accompanying income statements for 2015 and 2014 is as follows:

(Thousands of euros)	2015	2014
Wages and salaries	19,695	17,028
Objective-based compensation	4,939	5,183
Incentive Plan (Note 12.4)	4,051	4,590
Termination benefits (Note 4.9)	264	439
Social walfare expenses	3,341	3,010
Other benefit expenses	2,382	2,664
Total	**34,672**	**32,914**

The "Objective based compensation" registers the amount accruing in 2015 and 2014 to Company executives and employees based on the extent to which the objectives set in those years were met.

The following table shows the average number of employees by professional category and gender in 2015:

	Avarage number of employees		
	Male	**Female**	**Total**
Year 2015			
Executives	33	4	37
Employees	82	136	218
Total	**115**	**140**	**255**
Year 2014			
Executives	34	5	39
Employees	80	117	197
Total	**114**	**122**	**236**

At December 31, 2015 the Company had 272 employees (241 employees at December 31, 2014), as follows:

	Avarage number of employees		
	Male	**Female**	**Total**
Year 2015			
Executive	33	5	38
Employees	87	147	234
Total	**120**	**152**	**272**
Year 2014			
Executives	36	4	40
Employees	76	125	201
Total	**112**	**129**	**241**

19. TRANSACTIONS AND BALANCES WITH RELATED PARTIES

The balances maintained with group companies and related parties at December 31, 2015 and 2014, and operations carried out with them during the years then ended, are summarised below:

	(Thousands of euros)															
	Current Receivables					Current payables										
Year 2015	Receivables from other services (Note 10)	Short-term receivables to Group Companies (Note 10)	Credit interests (Note 10)	Dividend receivables (Note 10)	Receivable tax from corporate tax (Note 10)	VAT payables	Payables from corporate tax	Suppliers and trade payables	Advance payment from clients	Short-term loans form Group companies	Loan interests	Other operating income (Note 18.2)	Net revenues (Notes 9.1 and 16.2)	Financial income	Financial expenses	Other services
Group companies and associates																
Gamesa Technology Corporation, Inc.	2,001	-	-	-	7,815	-	-	-	-	14,709	-	2,000	-	-	-	1
Gamesa Energía, S.A. Unipersonal	-	283,350	57,401	43,000	-	-	-	-	-	3,219	-	1	-	25,296	-	-
Gamesa Inversiones Energéticas S.A.	-	293	-	-	1,008	-	-	-	-	1,062	-	-	-	-	-	-
Gamesa Eólica, S.L. Unipersonal	199	124,001	4,549	-	-	-	-	-	-	998	-	24,134	-	3,116	-	64
Gamesa Eólica de Brasil	7,640	-	-	-	-	-	-	-	-	-	-	2,000	-	-	-	-
Gamesa Wind Tianjin Co Ltd.	15,256	-	-	-	-	-	-	-	-	-	-	1,200	-	-	-	-
Gamesa Innovation & Technology, S.L. Unipersonal	14,352	94	-	-	-	-	-	-	-	5	-	2,088	-	-	-	344
Windar Renovables, S.L.	-	-	-	-	-	-	-	-	-	-	-	-	3,006	-	-	-
Cametor, S.L	-	990	-	-	-	-	-	-	-	12,057	1,330	-	-	-	34	-
International Wind Farm Developments II, S.L.	-	252	-	-	-	-	-	-	-	-	-	-	-	-	-	-
International Wind Farm Developments IX, S.L.	-	-	-	-	-	-	-	-	-	93	-	-	-	-	-	-
Gamesa Wind UK Limited	-	-	-	-	-	-	-	-	-	25	-	-	-	-	-	-
Gamesa Venture Capital, S.C.R.	-	7	-	-	-	-	-	-	-	599	32	-	-	-	-	-
Gamesa Renewable Private Limited (previously Gamesa Wind Turbines, Pvt Ltd)	2,786	-	-	-	-	-	-	-	-	-	-	2,706	-	-	-	49
Adwen Offshore S.L.	499	-	-	-	-	-	-	-	-	-	-	581	-	-	-	-
Other companies of GAMESA Group	61	285	-	-	-	-	-	-	-	120	-	131	-	-	-	-
Total balances and transactions with Group companies	**42,794**	**409,272**	**61,950**	**43,000**	**8,823**	**-**	**-**	**-**	**-**	**32,887**	**1,362**	**34,841**	**3,006**	**28,412**	**34**	**458**

Year 2014	Receivables from other services (Note 10)	Short-term receivables to Group Companies (Note 10)	Credit interests (Note 10)	VAT receivables (Note 10)	Receivable tax from corporate tax (Note 10)	VAT payables	Payables from corporate tax	Suppliers and trade payables	Advance payment form clients	Short-term loans form Group companies	Loan interests	Other operating income (Note 18.2)	Net revenues (Notes 9.1 and 16.2)	Financial income	Financial expenses	Other services
	(Thousands of euros)															
	Current Receivables					Current payables										
Group Companies and associates																
Gamesa Technology Corporation, Inc.	1	-	-	-	-	-	-	-	-	-	-	2,531	-	-	-	-
Gamesa Energía, S.A. Unipersonal	46	349,548	32,106	-	5,444	624	-	-	1,854	-	-	-	43,000	12,772	-	1
Gamesa Inversiones Energéticas Renovables, S.C.R.	-	-	-	-	-	-	96	-	-	-	-	-	-	-	-	-
Gamesa Eólica, S.L. Unipersonal	118	150,645	2,191	-	-	-	280	-	-	718	-	19,933	-	3,996	-	-
Gamesa Electric, S.A. Unipersonal.	-	-	-	84	318	-	-	-	-	-	-	-	-	-	-	-
Gamesa Eólica de Brasil	5,639	-	-	-	-	-	-	-	-	-	-	2,792	-	-	-	-
Gamesa Wind Tianjin Co Ltd.	14,452	-	-	-	-	-	-	-	-	-	-	1,486	-	-	-	-
Gamesa Innovation & Technology, S.L. Unipersonal	11,251	94	-	-	-	-	-	55	-	5	-	9,269	-	-	-	-
Gamesa Wind Hungary KTF	-	26	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Gamesa Eolica France SARL	-	140	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Gamesa Eólica Italia, S.R.L.	-	274	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Gamesa Wind Poland Sp z.o.o.	-	487	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Gamesa Wind UK Limited	-	69	-	-	-	-	-	22	-	-	-	-	-	-	-	-
Gamesa II Eólica Portugal Sociedade Unipessoal Lda	-	106	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Gamesa Wind Romania, S.R.L.	-	43	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Cametor, S.L.	-	-	-	411	680	-	-	-	-	7,728	1,366	-	-	-	160	-
Gamesa Eolica Greece E.P.E.	-	45	-	-	-	-	-	-	-	-	-	-	-	-	-	-
International Wind Farm Developments III, S.L.	-	-	-	-	80	-	-	-	-	-	-	-	-	-	-	-
International Wind Farm Developments IX, S.L.	-	-	-	-	-	-	97	-	-	-	-	-	-	-	-	-
9Ren España, S.L.	-	-	-	-	-	-	-	-	-	-	-	106	-	-	-	-
Gamesa Venture Capital, S.C.R.	-	2	-	-	1	-	-	-	-	599	31	-	-	-	13	-
Gamesa Renewable Private Limited (previously Gamesa Wind Turbines, Pvt Ltd)	6,464	-	-	-	-	-	-	-	-	-	-	3,325	-	-	-	-
Other companies of GAMESA Group	79	63	-	2	59	3	128	89	-	-	-	21	-	-	-	1
Total balances and transactions with Group companies	**38,050**	**501,542**	**34,297**	**497**	**6,582**	**627**	**601**	**166**	**1,854**	**9,050**	**1,397**	**39,463**	**43,000**	**16,768**	**173**	**2**

Dividends

On February 16, 2015, the subsidiary Windar Renewable, S.L. agreed the payment of a dividend being the amount corresponding to GAMESA €3,006 thousand, being this amount fully disbursed at December 31, 2015.

In the year 2014, the Company as the sole shareholder of Gamesa Energía, S.A. agreed the distribution of a dividend amounting €43,000 thousands, which is that had not been paid at December 31, 2015, being the account recorded under the heading "Current investments in group companies and associates - Current loans to group companies" in the accompanying balance sheet at December 31, 2015.

Financing contracts between companies in the Group GAMESA

At December 31, 2015 Gamesa Coporación Tecnológica, S.A. has certain loans concluded with Gamesa Eólica, S.L. Unipersonal amounting €124,001 thousands (€150,645 thousands at December 31, 2014). The amortization will happen once the debt is settled. During 2015 interest amounting €3,116 thousands (€3,996 thousands during 2014) accrued under the heading "Revenue – Interest on loans granted to group companies and associates" in the accompanying income statement for 2015. Those interests will be disbursed once the principal matures.

In addition, Gamesa Corporación Tecnológica, S.A. has concluded at December 31, 2015 various credits with Gamesa Energía S.A. Unipersonal amounting €326,350 thousands (€349,548 thousands in 2014). During 2015 €25,296 thousands of interest (€12,772 thousands in 2014) have been accrued under the heading "Revenue – Interest on loans granted to group companies and associates " in the accompanying profit and loss accounts for the financial year 2015. These contracts stipulate annual maturities of both capital and interests.

Agreements between GAMESA Group and Windar Renovables, S.L.

On June 25, 2007 GAMESA (through its subsidiary Gamesa Eólica, S.L. Unipersonal) concluded a power supply agreement with Windar Renovables, S.L. The conditions for transactions with associates are equivalent to those carried out with independent parties.

Agreements relating to the Wind turbine and Operations and Maintenance segments

Through its subsidiary Gamesa Eólica, S.L. Unipersonal, on December 21, 2011 Gamesa and Iberdrola, S.A. concluded a framework agreement relating to the supply and maintenance of wind turbines. Under that framework agreement, GAMESA Group and Iberdrola, S.A. have assumed the following commitments:

- Iberdrola, S.A shall acquire from Gamesa Group a quota of megawatts equivalent to 50% of the total on-shore wind turbine fleet that Iberdrola, S.A. acquires for its Renewables Business Unit during the term of the Framework Agreement.

  This commitment will be in force between January 1, 2013 and December 31, 2022 or the date on which the number of megawatts acquired by Iberdrola Group from Gamesa Group under the Framework agreement totals 3,800, whichever occurs first.

  The framework agreement replaces the previous contract. Nevertheless, the rights and obligations resulting from the framework agreement remain in force with respect to supplies prior to the framework agreement, which includes the planning of 502 MW.

- GAMESA and Iberdrola, S.A will closely collaborate with new opportunities relating to the offshore wind business.

- Gamesa and Iberdrola, S.A will collaborate within the area of maintenance services so that Gamesa Eólica will become a company of reference with respect to wind farm maintenance throughout Iberdrola's business. In particular, the following agreements have been reached:

  - Establish new areas of study and analysis for the rendering of maintenance services by Gamesa to Iberdrola, particularly the rendering of those services in the United States, the sale and installation of wind turbine reliability improvements or the extension of their useful lives and the conversion and update of wind turbine models.

  - The extension of current maintenance services.

During the years 2015 and 2014, the financial and commercial equipment of GAMESA and Iberdrola laid the foundations for the objective novation of certain terms of the Framework Agreements signed between the two companies and with validity until December 31, 2015 by which GAMESA came to provide maintenance services in various wind farms owned by Iberdrola. This objective novation affects certain technical aspects, scope of the services to be provided and economic aspect in order to suit the prevailing market conditions. It also forecasts the modification of the duration of the services to be provided to GAMESA, extending them until December 31, 2017, with the possibility of being extended for two other annual additional periods.

In the field of these negotiations, the parties formalized in March 2015 a new Framework Agreement that resolved the previous one dated on January 1, 2013 for the G8x and on 1 January 2012 for the G4X and G5x, incorporate, on the clauses of these, the amendments referred to above and with effect from January 1, 2014 for a total of 4,383 MW.

In addition, on October 2015, GAMESA and Iberdrola have reached an agreement to deploy the product "Energy Thrust", aimed to increase the efficiency of the turbines and therefore their production ratios, for a total of 1,602 MW.

19.1 Compensation and benefits for the Board of Directors and Senior Management

In 2015 the Directors of GAMESA earned fixed and variable salaries, per diems, and other items amounting to approximately €4,982 thousands (€3,700 thousands in 2014). The detail of the aforementioned amount is as follows:

(Thousands of euros)	12.31.2015	12.31.2014
Members of the Board of Director		
Type of remuneration		
Fixed compensation	2,073	1,776
Annual variable compensation	522	871
Long-term variable compensation	1,260	-
Per diets	527	481
	4,382	**3,128**
Other benefits	510	572
Total	**4,892**	**3,700**

Within the remuneration to the Board of directors has been included, according to the Annual Report on Remuneration of Directors, the amount accrued in cash by the President and CEO corresponding to the long term incentive approved by the General Meeting of 2013, whose measurement period ended on December 31, 2015, for a total amount of €1,260 thousand (zero euros in 2014). The 50 percent of this amount will be settled within 90 first days of 2016 and 50 per 100 remaining within the first 90 days of 2017. Regarding the part of an incentive in shares, it has been recongised the right to delivery of 189,759 shares, delivery that is scheduled to materialize the 50 percent (94,879 actions) within the first 90 days of 2016 and the remaining 50 percent (94,880 shares) in the same period of 2017. The amount corresponding to the shares delivered in these periods will be included in the annual reports on remuneration to directors and in the annual corporate governance reports corresponding to them, calculated by the average value of quoted price of the stock on the date of delivery to the president and director.

The concept of Other benefits at December 31, 2015 corresponds to (i) the amount of the premiums paid for the coverage of death and disability insurances by €51 thousands (€47 thousands in 2014) and life and savings of the current directors amounting €400 thousands (€450 thousands in 2014); and (ii) the allocation of the group insurance insurance for executives, directors and other employees by €59 thousands (€75 thousands in 2014).

No advances or loans were granted to current or former Board members and there are no pension obligations to them.

The detail of the total remuneration, by type of director, is as follows:

(Thousands of euros)	12.31.2015	12.31.2014
Type of director		
Exucutives	2,915	1,836
External proprietary directors	531	423
External independent directors	1,446	1,441
Other external	-	-
Total	**4,892**	**3,700**

At December 31, 2015 and 2014 the members of the Board of Directors consist of 9 men and 3 women.

The remuneration (salary, compensation in kind, social security contributions, etc,) relating to senior management, excluding those who are simultaneously members of the Board of Directors (whose remuneration is detailed above) amounted to €7,666 thousands in 2015 (€3,252 thousands in 2014), The compensation paid or payable to members of senior management for past employment services is set out in the following table:

(Thousands of euros)	2015	2014
Salaries and other short-term compensation	4,694	3,252
Share-based payments	2,972	-
Total	**7,666**	**3,252**

Within the remuneration of senior management there is included as a variable compensation in the long term the accrued amount in cash of the long term incentive approved by the General Meeting of 2013, whose measurement period ended December 31, 2015, for a total amount of €2,972 thousands (zero euros in 2014). The 50 percent of this amount will be settled within the first 90 days of 2016 and 50 percent remaining within the first 90 days of 2017. Regarding the part of incentive in the form of shares, the delivery is scheduled to materialize within the first 90 days of 2016 (50 percent) and in the same period of 2017 (50 percent remaining). With regard to the part of an incentive in the form of shares, the right of delivery of the senior management has recongised for amounting 447,580 shares, delivery that it is expected to verify, 50 percent (223,790 shares) within the 90 first days of 2016 and the remaining 50 percent (223,790 shares) in the same period of 2017. The amount corresponding to the shares delivered in these periods are included in the annual corporate governance reports corresponding to them, calculated by the average value of quoted price of the stock on the date of delivery to beneficiaries.

In 2015 and 2014 there were no transactions with executives other than those carried out in the ordinary course of business.

19.2 Information regarding conflicts of interest affecting Directors

At 2015 year-end the members of the Board of Directors of Gamesa Corporación Tecnológica, S.A. and certain persons related to them as defined in the Spanish Limited Liability Companies Law held ownership interests in the following companies engaging in an activity that is identical, similar or complementary to the activity that constitutes the Company’s object. Also, following is a detail of the positions held and functions discharged at those companies:

Owner	Investee company	Business line	Number of shares	Function
Arregui Ciarsolo, Juan Luis	Iberdrola, S.A.	Power & utilities	30,284,584	None
Rubio Reinoso, Sonsoles	Iberdrola, S.A.	Power & utilities	40,184	Compliance Manager of the group Iberdrola
Villalba Sánchez, Francisco Javier (*)	Iberdrola, S.A.	Power & utilities	-	CEO of the Network Business of the group Iberdrola
Villalba Sánchez, Francisco Javier (*)	Elektro Electricidade e Serviços, S.A.	Power & utilities	-	President
Villalba Sánchez, Francisco Javier (*)	Iberdrola USA Networks, Inc.	Power & utilities	-	President
Villalba Sánchez, Francisco Javier (*)	Iberdrola Distribución Eléctrica, S.A.	Power & utilities	-	President
Villalba Sánchez, Francisco Javier (*)	Scottish Power Energy Networks Holdings Ltd.	Power & utilities	-	President
Góngora Bachiller, Gema	Iberdrola, S.A.	Power & utilities	2,072	Director of Development and Executive Management at Iberdrola, S.A.

(*) On February 1, 2016, Mr. Francisco Javier Sánchez Villalba left his charge as CEO of the Network Business of the Iberdrola group and he also left his charges in the Board of Directors of the rest of the companies mentioned above.

The members of the Board of Directors were affected by the following conflicts of interest in 2015:

- Castresana Sánchez, Ramón. In accordance with the procedure established in Article 31 of the Gamesa Corporación Tecnológica, S.A. Board of Directors Regulations, when the Board has deliberated and adopted any resolutions relating to operations with IBERDROLA, S.A. and/or group companies, he has not participated in the deliberation, voting, decision and execution of the resulting resolution. This occurred in the Board meetings held on March 24 and May 8, 2015.

- Góngora Bachiller, Gema. In accordance with the procedure established in Article 31 of the Gamesa Corporación Tecnológica, S.A. Board of Directors Regulations, when the Board has deliberated and adopted any resolutions relating to operations with IBERDROLA, S.A. and/or group companies, he has not participated in the deliberation, voting, decision and execution of the resulting resolution. This occurred in the Board meetings held on July 29, November 18 and December 16, 2015.

- Villalba Sánchez, Francisco Javier. In accordance with the procedure established in Article 31 of the Gamesa Corporación Tecnológica, S.A. Board of Directors Regulations, when the Board has deliberated and adopted any resolutions relating to operations with IBERDROLA, S.A. and/or group companies, he has not participated in the deliberation, voting, decision and execution of the resulting resolution. This occurred in the Board meetings held on March 24, May 8, June 29, July 29, November 18 and December 16, 2015.

- Rubio Reinoso, Sonsoles. In accordance with the procedure established in Article 31 of the Gamesa Corporación Tecnológica, S.A. Board of Directors Regulations, when the Board has deliberated and adopted any resolutions relating to operations with IBERDROLA, S.A. and/or group companies, he has not participated in the deliberation, voting, decision and execution of the resulting resolution. This occurred in the Board meetings held on March 24, May 8, June 29, July 29, November 18 and December 16, as well as, the meetings of the Audit and Compliance Committee held on March 16, May 5, June 26, July 28, November 5 and December 11, 2015.

- Hernández García, Gloria. In accordance with the procedure established in Article 31 of the Gamesa Corporación Tecnológica, S.A. Board of Directors Regulations, when the Board has deliberated and adopted any resolutions relating to operations with BANKINTER and/or group companies, he has not participated in the deliberation, voting, decision and execution of the resulting resolution. This occurred in the Board meeting held on December 16, 2015 when it was deliberated and adopted an agreement related with the syndicated loan of the GAMESA Group.

Finally, the Chairman and CEO and some of the members of the executive team at GAMESA have contractual agreements to receive financial compensation in the event of termination for reasons attributable to the Company and, in some cases, due to the occurrence of objective circumstances, such as a change in control. The financial compensation agreed for such termination consists, in general, of the payment of compensation up to a maximum of two years' salary, depending on personal and professional circumstances and the time at which the agreement was concluded.

20. OTHER INFORMATION

20.1 Audit fees

In 2015 and 2014 the fees for financial audit and other services provided by the auditor of the Group's Consolidated Financial Statements, and the fees billed by the auditors of the separate Financial Statements of the consolidated companies, and by companies related to these auditors as a result of a relationship of control, common ownership or common management, were as follows:

(Thousands of euros)	Services rendered by EY	Services provided by other audit firms
Year 2015		
Audit services	1,177	20
Other attest services	143	-
Total audit and related services	**1,320**	**20**
Tax counselling services	147	-
Other services	66	-
Total other services	**213**	**-**
Total professional services	**1,533**	**20**

(Thousands of euros)	Services rendered by EY	Services provided by other audit firms
Year 2014		
Audit services	968	55
Other attest services	78	-
Total audit and related services	**1,046**	**55**
Tax counselling services	285	13
Other services	29	146
Total other services	**314**	**159**
Total professional services	**1,360**	**214**

Of the amount relating to the services rendered by the main auditor, €378 thousands relate to audit services provided to Gamesa Corporación Tecnológica, S.A. (€280 thousands in 2014). Likewise, taking into account the corresponding amount related to other services provided by the principal auditor, €66 thousands correspond to Gamesa Corporación Tecnológica, S.A. (€12 thousands in 2014).

Finally, from the corresponding amount related to audit and related services billed by other audit firms, €0 thousands correspond to services provided to Gamesa Corporación Tecnológica, S.A. (€55 thousands in 2014). Likewise, from the corresponding amount related to other services provided by other audit firms, €0 thousands correspond to Gamesa Corporación Tecnológica, S.A. (€146 thousands in 2014).

20.2 Información sobre el periodo medio de pago a proveedores. Third additional provision. "Information duty" of Law 15/2010 of July 5.

In accordance with the single additional provision of the Resolution of January 29, 2016 of the Accounting and Audit Institute, about the information to include in the notes to the financial accounts related with the deferral of payments made to suppliers in commercial operations, no comparative information is included, as the financial accounts of 2015 are presented as initial regarding the exclusive effects referred to the application of the principle of uniformity and the comparability requirement.

The information related with the deferral of payments made to suppliers is as follows:

	2015
	Days
Average payment period	61
Settled operations ratio	62
Pending operations ratio	41
	Amount (thousands of euros)
Total settled payments	30,288
Total pending payments	1,298

21. POST-BALANCE SHEET EVENTS

There were no significant events subsequently to the year end.

22. EXPLANATION ADDED FOR TRANSLATION TO ENGLISH

These Financial Statements are presented on the basis of accounting principles generally accepted in Spain. Consequently, certain accounting practices applied by the Company may not conform with generally accepted accounting principles.

COMPANIES	LINE OF BUSINESS	AUDITOR	LOCATION	% OF DIRECT AND INDIRECT OWNERSHIP	SHARE CAPITAL	RESERVES	PROFIT AFTER TAXES
FULLY CONSOLIDATED COMPANIES							
A) GAMESA ENERGÍA GROUP							
Gamesa Energía, S.A. Unipersonal	Development of wind farms	EY	Vizcaya	100%	35,491	157,752	(33,238)
A.1 Wind farms							
· **Development of wind farms**							
Gamesa Inversiones Energéticas, S.A.	Development of wind farms	EY	Vizcaya	100%	1,200	2,932	(3,003)
Gamesa Energía Italia, S.P.A.	Development of wind farms	EY	Italy	100%	570	6	(2,171)
Gamesa Energiaki Hellas, A.E.	Development of wind farms	EY	Greece	100%	464	(405)	(2,405)
Gamesa Energie France, E.U.R.L.	Development of wind farms	EY	France	100%	60	(5,711)	1,202
Parques Eólicos del Caribe, S.A.	Development of wind farms	PWC	Dominican Republic	57%	1,184	(1,204)	(2,441)
Navitas Energy, Inc.	Development of wind farms	-	USA	97%	252	(13,320)	(191)
Gamesa Energy Romania, S.R.L.	Development of wind farms	-	Romania	99%	0	(8,337)	(1,012)
Gamesa Energy UK, Ltd.	Development of wind farms	EY	UK	100%	14,361	(11,740)	(4,028)
Wind Portfolio SponsorCo, LLC	Development of wind farms	-	USA	100%	-	-	-
Gamesa Energie Deutschland, GmbH	Development of wind farms	EY	Germany	100%	575	(4,683)	(1,457)
Kurnool Wind Farms Privated Ltd	Manufacture and holding Company	-	India	100%	1	(1)	-
Kadapa Wind Farms Privated Ltd	Manufacture and holding Company	-	India	100%	1	(1)	-
Anantapur Wind Farms Privated Ltd	Manufacture and holding Company	-	India	100%	1	(1)	-
GERR, Grupo Energético XXI, S.A Unipersonal	Development of wind farms	-	Barcelona	100%	1,605	(5,891)	(1,549)
International Wind Farm Developments II, S.L.	Development of wind farms	-	Vizcaya	100%	3	(358)	649
International Wind Farm Developments III, S.L.	Development of wind farms	-	Vizcaya	100%	3	41	1
International Wind Farm Developments IX, S.L.	Development of wind farms	-	Vizcaya	100%	3	(563)	(239)
Gamesa Bulgaria EOOD	Development of wind farms	EY	Bulgaria	100%	3	124	(125)
International Wind Farm Development IV, S.L.	Development of wind farms	-	Vizcaya	100%	3	(1)	-
International Wind Farm Development V, S.L.	Development of wind farms	-	Vizcaya	100%	3	(1)	-
International Wind Farm Development VI, S.L.	Development of wind farms	-	Vizcaya	100%	3	(1)	-
International Wind Farm Development VII, S.L.	Development of wind farms	-	Vizcaya	100%	3	(1)	-
Eólica Da Cadeira, S.A.	Development of wind farms	-	A Coruña	65%	60	(61)	-
Gesa Energía S.R.L.de C.V.	Development of wind farms	-	Mexico	100%	11,526	(6,310)	420
Sistemas Energéticos Jaralón, S.A. Unipersonal	Development of wind farms	-	Vizcaya	100%	61	1,093	4
Gesan Mexico 1, S.A.P.I. de C.V.	Development of wind farms	EY	Mexico	100%	-	-	-
Gamesa Eólica S.L. "Branch Jamaica"	Development of wind farms	-	Jamaica	100%	-	(21)	2,208
· **Operation of wind farms**							
Baileyville Wind Farm, LLC	Operation of wind farms	-	USA	97%	-	-	-
Windfarm 33 Gmbh	Operation of wind farms	-	Germany	100%	25	(24)	-
Windfarm 35 Gmbh	Operation of wind farms	-	Germany	100%	25	4	-
Windfarm 38 Gmbh	Operation of wind farms	-	Germany	100%	25	(113)	(44)
Windfarm 40 Gmbh	Operation of wind farms	-	Germany	100%	25	(3)	(1)
Windfarm 41 Gmbh	Operation of wind farms	-	Germany	100%	25	(3)	(1)
S.E. Balazote, S.A. Unipersonal	Operation of wind farms	-	Toledo	100%	61	2,600	7
S.E. Cabezo Negro, S.A. Unipersonal	Operation of wind farms	-	Zaragoza	100%	61	442	(1,030)
Sistemas Energéticos La Plana, S.A.	Operation of wind farms	Attest	Zaragoza	90%	421	1,982	(215)
Sistemas Energéticos La Jimena, S.A.	Operation of wind farms	-	Soria	60%	61	(639)	(3)
Sistemas Energéticos Barandón, S.A.	Operation of wind farms	-	Valladolid	100%	61	(14)	-
Eoliki Peloponisou Lakka Energiaki A.E.	Operation of wind farms	EY	Greece	86%	59	(63)	(5)
Eoliki Attikis Kounus Energiaki A.E.	Operation of wind farms	EY	Greece	86%	59	(63)	(5)
Sistemas Energéticos Ventorrillo, S.A. Unipersonal	Operation of wind farms	-	Sevilla	100%	61	(70)	(1)
Sistemas Energéticos de Tarifa, S.L. Unipersonal.	Development of wind farms	-	Vizcaya	100%	61	141	(226)
Sistemas Energéticos Argañoso, S.L. Unipersonal	Development of wind farms	-	Vizcaya	100%	61	(27)	-
Sistemas Energéticos del Sur, S.A.	Operation of wind farms	-	Sevilla	70%	600	(458)	(7)
Sistemas Energéticos los Nietos, S.A. Unipersonal	Operation of wind farms	-	Sevilla	100%	61	(6)	-

COMPANIES	LINE OF BUSINESS	AUDITOR	LOCATION	% OF DIRECT AND INDIRECT OWNERSHIP	SHARE CAPITAL	RESERVES	PROFIT AFTER TAXES
Sistemas Energéticos Sierra de Lourenza, S.A. Unipersonal	Operation of wind farms	-	Vizcaya	100%	61	(2,114)	(95)
Sistemas Energéticos Loma del Reposo, S.L. Unipersonal	Development of wind farms	-	Vizcaya	100%	61	(17)	-
Sistemas Energéticos Edreira, S.A. Unipersonal	Operation of wind farms	-	A Coruña	100%	61	(38)	-
Sistemas Energéticos Campoliva, S.A. Unipersonal	Operation of wind farms	-	Zaragoza	100%	61	(9)	-
Sistemas Energéticos Carril, S.L.Unipersonal	Development of wind farms	-	Vizcaya	100%	61	(5)	-
Gesacisa Desarrolladora S.A. de C.V.	Operation of wind farms	EY	Mexico	100%	6	3,423	173
Sistemas Energéticos Alcohujate, S.A. Unipersonal	Operation of wind farms	-	Toledo	100%	61	(462)	(25)
Energiaki Megas Lakkos, S.A.	Operation of wind farms	EY	Greece	100%	60	(56)	(6)
SAS SEPE Lingevres	Operation of wind farms	-	France	100%	4	12	(10)
SAS SEPE St. Loup de Saintonge	Operation of wind farms	-	France	100%	4	12	(2)
SAS SEPE Villiers Vouille et Yversay	Operation of wind farms	-	France	100%	4	7	(7)
SAS SEPE Dampierre Prudemanche	Operation of wind farms	EY	France	100%	37	(188)	(9)
SAS SEPE Germainville	Operation of wind farms	EY	France	100%	37	(40)	(9)
SAS SEPE Ecueille	Operation of wind farms	EY	France	100%	4	(69)	(12)
Sistemas Energéticos el Valle, S.L.	Operation of wind farms	-	Navarra	100%	3	(2)	-
Sistemas Energéticos Fonseca, S.A. Unipersonal	Operation of wind farms	-	A Coruña	100%	61	(5,112)	(254)
Sistemas Energéticos del Umia, S.A. Unipersonal	Operation of wind farms	-	A Coruña	100%	61	(109)	-
Sistemas Energéticos Cuntis, S.A.	Operation of wind farms	-	A Coruña	100%	61	(139)	-
Sistemas Energéticos La Cámara, S.L.	Operation of wind farms	-	Sevilla	100%	3	1,115	353
Sistemas Energéticos Fuerteventura, S.A. Unipersonal	Operation of wind farms	-	Canarias	100%	61	(16)	(27)
Sistemas Energéticos Alto de Croa, S.A. Unipersonal	Operation of wind farms	-	A Coruña	100%	61	(371)	(21)
Sistemas Energéticos Cabanelas, S.A. Unipersonal	Operation of wind farms	-	A Coruña	100%	61	(627)	(32)
Abruzzo Vento, S.R.L	Construction and Operation of wind farms	-	Italy	90%	30	(40)	(1)
EBV Holding Verwaltung GmbH	Development of wind farms	-	Germany	100%	25	19	-
Gamesa Europa, S.L.	Development of wind farms	-	Galicia	100%	3	(34)	(91)
Sistemas Energéticos Boyal, S.L.	Operation of wind farms	-	Zaragoza	60%	3	(426)	(748)
Energiaki Arvanikos, MEPE	Operation of wind farms	-	Greece	100%	5	(173)	(42)
Sistema Eléctrico de Conexión Montes Orientales, S.L.	Operation of wind farms	-	Granada	83%	45	(7)	-
Sistemas Energéticos Loma del Viento, S.A. Unipersonal	Operation of wind farms	-	Sevilla	100%	61	(6)	-
Sistemas Energéticos Sierra de las Estancias, S.A. Unipersonal	Operation of wind farms	-	Sevilla	100%	61	2,512	(2,617)
Sistemas Energéticos Cuerda Gitana, S.A. Unipersonal	Operation of wind farms	-	Sevilla	100%	61	6,655	(3,284)
Parco Eolico Tuturano S.R.L.	Operation of wind farms	-	Italy	100%	30	(13)	(1)
Parco Eolico Prechicca S.R.L.	Operation of wind farms	-	Italy	100%	30	(14)	(1)
Paro Eolico Monte Maggio Scalette S.R.L.	Operation of wind farms	-	Italy	100%	30	(27)	(7)
Osiek Sp. Z o.o	Operation of wind farms	-	Poland	100%	11	(105)	(63)
Sistemas Energéticos Monte Genaro, S.L. Unipersonal	Operation of wind farms	-	Vizcaya	100%	3	(1)	-
Sistemas Energéticos Sierra de Valdefuentes, S.L. Unipersonal	Operation of wind farms	-	Vizcaya	100%	3	(87)	-
Sistemas Energéticos Sierra del Carazo, S.L. Unipersonal	Operation of wind farms	-	Vizcaya	100%	3	(87)	-
Harelaw Renewable Energy Park Ltd.	Operation of wind farms	-	UK	100%	-	-	-
Shap Renewable Energy Park Ltd.	Operation of wind farms	-	UK	100%	-	-	-
Watford Gap Renewable Energy Park Ltd.	Operation of wind farms	-	UK	100%	-	-	-
Aberchalder Renewable Energy Park Ltd.	Operation of wind farms	-	UK	100%	-	-	-
Windfarm Ringstedt II, GmbH	Operation of wind farms	-	Germany	100%	4,670	(4,848)	(27)
Llynfi Renewable Energy Park Ltd.	Operation of wind farms	-	UK	100%	-	-	(239)
Llanfynydd Renewable Energy Park Ltd.	Operation of wind farms	-	USA	100%	-	-	-
Windfarm Gross Hsslow GmbH	Operation of wind farms	-	Germany	100%	4,215	(4,422)	(29)
Sistemas Energéticos de Gran Canaria	Operation of wind farms	-	Canarias	100%	3	(4)	(55)
Ger Baraganu S.R.L	Production of electric energy	-	Romania	100%	-	(14)	(4)
Ger Independenta S.R.L.	Production of electric energy	-	Romania	100%	-	(13)	(5)

COMPANIES	LINE OF BUSINESS	AUDITOR	LOCATION	% OF DIRECT AND INDIRECT OWNERSHIP	SHARE CAPITAL	RESERVES	PROFIT AFTER TAXES
Sistemas Energéticos de Gran Canaria	Operation of wind farms	-	Canarias	100%	3	(4)	(55)
Ger Baraganu S.R.L	Production of electric energy	-	Romania	100%	-	(14)	(4)
Ger Independenta S.R.L.	Production of electric energy	-	Romania	100%	-	(13)	(5)
Ger Ludus S.R.L.	Production of electric energy	-	Romania	100%	-	(15)	(4)
Lingbo SPW AB	Production of electric energy	EY	Sweden	100%	273	2,337	1
Innovación Eólica de Salamanca S.L.	Production of electric energy	-	Burgos	78%	6	(34)	(7)
Central Eolica de Mexico I, S.A. de C.V.	Operation of wind farms	-	Mexico	100%	7	(93)	(531)
Energía Eólica de Mexico	Operation of wind farms	-	Mexico	50%	-	201	(187)
Energía Renovable del Istmo	Operation of wind farms	-	Mexico	50%	-	194	(198)
Elliniki Eoliki Energiaki Kseropousi SA	Operation of wind farms	-	Greece	86%	108	(6)	(3)
Elliniki Eoliki Energiaki Pirgos SA	Operation of wind farms	-	Greece	86%	176	(11)	(3)
Elliniki Eoliki Energiaki Kopriseza SA	Operation of wind farms	-	Greece	86%	-	(3)	(1)
Elliniki Eoliki Energiaki LIKOURDI SA	Operation of wind farms	-	Greece	86%	-	(3)	0
LICHNOWY Windfarm Sp. z o.o.	Operation of wind farms	-	Poland	100%	1	1	(10)
UJAZD Sp. z o.o.	Operation of wind farms	-	Poland	100%	1	-	(10)
Infraestructura Generación Valdeconejos, SL.	Operation of wind farms	-	Zaragoza	100%	3	(7)	-
Whitehall Wind, LLC	Operation of wind farms	-	USA	100%	-	-	-
Energiaki Flabouro EPE	Operation of wind farms	-	Greece	100%	5	(13)	(20)
Fanbyn2 Vindenergi AB	Operation of wind farms	-	Sweden	100%	6	(1)	-
A.2 Manufacture of wind turbines							
Gamesa Eólica, S.L. Unipersonal	Wind-powered facilities	EY	Navarra	100%	201	365,889	13,332
Gamesa Innovation & Technology, S.L. Unipersonal	Manufacture of moulds, blades and provision of central services (engineering)	EY	Navarra	100%	4,355	488,271	51,370
Estructuras Metálicas Singulares, S.A.	Manufacture of towers and wind turbines	EY	Navarra	100%	61	6,678	28
Gamesa Wind, GMBH	Wind-powered facilities	EY	Germany	100%	995	(20,694)	(3,509)
Gamesa Eólica Italia, S.R.L.	Wind-powered facilities	EY	Italy	100%	100	242	4,599
Gamesa Wind UK Limited	Manufacture and holding Company	EY	UK	100%	17,060	(14,470)	(456)
Gamesa Lanka Private Limited	Manufacture and holding Company	EY	Sri Lanka	100%	39	183	18
Gamesa Wind Romania, SRL	Development of wind farms	EY	Romania	100%	111	22,459	1,319
Gamesa Singapore Private Limited	Manufacture and holding Company	EY	Singapur	100%	-	(4,271)	(328)
Gesa Eólica Honduras, S.A.	Manufacture and holding Company	-	Honduras	100%	1	(649)	133
Gamesa Eólica VE, C.A.	Manufacture and holding Company	-	Venezuela	100%	18	(29)	(7)
Gamesa Taiwan Limited	Manufacture and holding Company	-	Taiwan	100%	-	-	-
Gamesa Finland OY	Manufacture and holding Company	-	Finlandia	100%	3	(184)	818
Servicios Eólicos Globales, S.R.L. de C.V.	Manufacture and holding Company	-	Mexico	100%	3	60	20
Gamesa Mauritania SARL	Manufacture and holding Company	-	Mauritania	100%	3	(149)	387
Gamesa Ukraine, LLC	Manufacture and holding Company	-	Ucrania	100%	-	-	-
Gamesa Uruguay S.R.L	Wind-powered facilities	-	Uruguay	100%	1	2,634	(496)
Gamesa Eólica Nicaragua, S.A.	Wind-powered facilities	-	Nicaragua	100%	2	575	391
Gamesa Kenya Limited, S.L.	Wind-powered facilities	-	Kenya	100%	2	88	(74)
Gamesa Puerto Rico CRL	Wind-powered facilities	-	Puerto Rico	100%	1	24	(15)
Gamesa Belgium, S.R.L	Wind-powered facilities	EY	Belgium	100%	19	-	(190)
Gamesa Israel, LTD.	Wind-powered facilities	EY	Israel	100%	-	9	571
Gamesa Mauritius LTD	Wind-powered facilities	EY	Mauricio Islands	100%	-	-	54
B9 ENERGY O&M LIMITED	Wind-powered facilities	EY	UK	100%	1,659	(294)	(472)
RSR Power Private Limited	Manufacture and holding Company	-	India	100%	2	6	(221)
Gamesa Energia Portugal	Wind-powered facilities	-	Portugal	100%	475	5,774	(49)
Gamesa Renewable Private Limited	Wind-powered facilities	EY	India	100%	207,781	(26,035)	53,509
Gamesa Blade Tianjin Co Ltd.	Design, manufacture and assembly of blades	EY	China	100%	12,000	16,116	(6,839)
Gamesa Wind Energy System Development Co Ltd.	Manufacture of wind components and maintenance of wind farms	EY	China	100%	200	(6,110)	1,185
Gamesa Wind Tianjin Co, Ltd.	Manufacture of wind components	EY	China	100%	8,198	57,371	35,679
Gamesa Trading Co, Ltd.	Raw materials (Trader)	EY	China	100%	49	(100)	(65)
Gamesa Cyprus Limited	Manufacture and holding Company	-	Cyprus	100%	1	1,661	(12)
Gamesa New Zeland Limited	Manufacture and holding Company	-	New Zealand	100%	-	212	203
Gamesa Eolica France SARL	Wind-powered facilities	EY	France	100%	8	6,547	(368)

COMPANIES	LINE OF BUSINESS	AUDITOR	LOCATION	% OF DIRECT AND INDIRECT OWNERSHIP	SHARE CAPITAL	RESERVES	PROFIT AFTER TAXES
Gamesa Wind Bulgaria, EOOD	Manufacture, Construction and Operation of wind farms	EY	Bulgaria	100%	143	1,726	1,517
Gamesa Eolica France SARL	Wind-powered facilities	EY	France	100%	8	6,547	(368)
Cantarey Reinosa, S.A. Unipersonal	Manufacture of electric generators	EY	Cantabria	100%	4,217	24,597	(176)
Gamesa Wind South Africa PTY LTD	Manufacture and holding Company	-	South Africa	100%	1	(34)	(30)
Gamesa Australia PTY, LTD	Manufacture and holding Company	-	Australia	100%	-	(1,352)	(462)
Gamesa Chile SpA	Manufacture and holding Company	-	Chile	100%	8	(12)	80
Gamesa Dominicana, S.A.S.	Manufacture and holding Company	EY	Dominican Republic	100%	6	(1,696)	(590)
Gamesa Energy Transmission, S.A. Unipersonal	Manufacture of wind components	EY	Vizcaya	100%	21,660	50,184	3,323
Gesa Eólica Mexico, S.A. de C.V.	Wind-powered facilities	EY	Mexico	100%	3	43,936	11,624
Gamesa Energía Polska Sp. Z.o.o	Wind-powered facilities	-	Poland	100%	9,878	20,343	5,352
Parque Eólico Dos Picos, S.L. Unipersonal	Operation of wind farms	-	Vizcaya	100%	1,229	(67)	(94)
Gamesa Morocco, SARL	Wind-powered facilities	-	Marruecos	100%	1	406	(194)
Gamesa Wind Energy Services, Ltd	Manufacture and holding Company	-	Turkey	100%	41	(1,604)	(380)
Gamesa Eólica Costa Rica, S.R.L.	Manufacture and holding Company	-	Costa Rica	100%	-	(5,512)	321
Gamesa Wind Sweden, AB	Manufacture and holding Company	EY	Sweden	100%	2,526	(95)	(1,754)
Gamesa Japan Kabushiki Kaisha	Manufacture and holding Company	-	Japan	100%	8,588	(9,203)	317
Gamesa Wind Hungary KTF	Manufacture and holding Company	EY	Hungary	100%	12	5,657	693
Gamesa Eólica Greece E.P.E	Manufacture and holding Company	-	Greece	100%	18	4,091	(2,558)
Jilin Gamesa Wind Co., Ltd.	Manufacture and holding Company	EY	China	100%	1,630	(6,999)	(472)
Inner Mongolia Gamesa Wind Co.,Ltda.	Manufacture and holding Company	EY	Mongolia	100%	1,651	(7,012)	231
Rajgarh Windpark Private Limited	Manufacture and holding Company	Otros	India	51%	2	(1)	-
Gamesa Ireland Limited	Manufacture and holding Company	EY	Ireland	100%	-	(304)	(65)
GM Navarra Wind Energy Private Limited	Manufacture and holding Company	-	India	100%	153	153	(9)
Gamesa Canada, ULC	Manufacture and holding Company	-	Canada	100%	-	(197)	61
Gamesa Azerbaijan, LLC	Manufacture and holding Company	-	Azerbaijan	100%	-	739	(338)
Gamesa Eólica Brasil, Ltd.	Management of electric facilities	-	Brazil	100%	126,480	(48,085)	23,197
B) GAMESA TECHNOLOGY CORPORATION GROUP							
Gamesa Technology Corporation, Inc	Administrative management services	EY	USA	100%	24,942	363,537	41,865
Gamesa Wind US, LLC	Maintenance services of wind farms	EY	USA	100%	88	(452,377)	46,062
Gamesa Wind, PA, LLC	Manufacture and assembly of wind turbines	EY	USA	100%	81	320,570	2,787
Cedar Cap Wind, LLC	Operation of wind farms	-	USA	100%	-	-	-
Crescent Ridge II, LLC	Operation of wind farms	-	USA	100%	-	-	-
2Morrow Energy, LLC	Operation of wind farms	-	USA	100%	1,461	(26,868)	(199)
Mahantango Wind, LLC	Operation of wind farms	-	USA	100%	-	-	-
Pocahontas Prairie Wind, LLC	Operation of wind farms	-	USA	100%	-	(64,395)	(5,579)
C) OTHERS							
Cametor, S.L.	Ownership of non-current assets	-	Vizcaya	100%	3,902	8,619	57
Gamesa Venture Capital, S.C.R. de Régimen Simplificado, S.A. Unipersonal	Promotion of companies	-	Spain	100%	600	18	1
Gamesa Financiación S.A.Unipersonal	Promotion of companies	-	Spain	100%	60	-	-
D) CONSOLIDATES COMPANIES BY THE EQUITY METHOD							
Windar Renovables, S.L. and subsidiaries	Holding companie of the towers manufacture companies	PWC	Asturias	32%	9	53,934	10,337
Energías Renovables San Adrián de Juarros, S.A.	Construction and Operation of wind farms	-	Burgos	45%	60	(9)	-
Windkraft Trinnwillershagen Entwicklungsgesellschaft, GmbH	Development of wind farms	-	Germany	50%	51	733	7
Sistems Electrics Espluga S.A.	Operation of wind farms	-	Barcelona	50%	61	(462)	38
9Ren España, S.L.	Solar	-	Spain	49%	11,957	15,083	(618)
Kintech Santalpur Windpark Private Limited	Manufacture and holding Company	-	India	49%	77	(279)	5
Baja Wind, LLC	Manufacture and holding Company	-	USA	50%	-	-	-
New Broadband Network Solutions, S.L.	Manufacture and holding Company	-	Madrid	31%	561	(1,313)	(241)

COMPANIES	LINE OF BUSINESS	AUDITOR	LOCATION	% OF DIRECT AND INDIRECT OWNERSHIP	SHARE CAPITAL	RESERVES	PROFIT AFTER TAXES
Adwen Offshore S.L. and subsidiaries	Offshore Business	EY	Spain	50%	50,003	150,190	(52,065)

CARLOS RODRÍGUEZ-QUIROGA MENÉNDEZ, WITH NATIONAL IDENTITY CARD NUMBER 276302 A, SECRETARY OF THE BOARD OF DIRECTORS OF “GAMESA CORPORACIÓN TECNOLÓGICA, S.A.” WITH REGISTERED OFFICE IN ZAMUDIO (VIZCAYA), AT PARQUE TECNOLÓGICO DE BIZKAIA, EDIFICIO 222 WITH EMPLOYER IDENTIFICATION NUMBER A-01011253.

HEREBY CERTIFY:

That the text of the consolidated financial statements for 2015 of GAMESA CORPORACIÓN TECNOLÓGICA, S.A. authorised for issue by the Board of Directors at its meeting held on February 24, 2016 is the content of the preceding 46 sheets of unstamped paper, on the obverse only, and the consolidated balance sheet, consolidated income statement, consolidated statement of changes in equity, consolidated statement of cash flows and notes to the consolidated financial statements, for authentication purposes, bear my signature and that of the Chairman of the Board of Directors.

The directors listed below hereby so ratify by signing below, in conformity with Article 253 of the Spanish Limited Liability Companies Law.

Ignacio Martín San Vicente Chairman and CEO	Juan Luis Arregui Ciarsolo Deputy Chairman
Carlos Rodríguez-Quiroga Menéndez Secretary of the Board of Directors	José María Vázquez Eguskiza Member of the Board of Directors
Luis Lada Díaz Member of the Board of Directors	José María Aracama Yoldi Member of the Board of Directors
Sonsoles Rubio Reinoso Member of the Board of Directors	José María Aldecoa Sagastasoloa Member of the Board of Directors
Francisco Javier Villalba Sánchez Member of the Board of Directors	Gloria Hernández García Member of the Board of Directors
Andoni Cendoya Aranzamendi Member of the Board of Directors	Gema Góngora Bachiller Member of the Board of Directors

Zamudio, February 24, 2016. In witness whereof

Approval of the Chairman

Ignacio Martín San Vicente Chairman and CEO	Carlos Rodríguez-Quiroga Menéndez Secretary of the Board of Directors

ACTIVITY REPORT

February 25, 2016

1. COMPANY'S EVOLUTION DURING THE YEAR

HAVING SURPASSED THE 2015 OBJECTIVES, GAMESA IS BRINGING FORWARD AND STEPPING UP ITS COMMITMENTS UNDER THE BUSINESS PLAN 2015-2017E

Gamesa Corporación Tecnológica[1] ended 2015 with sound results, having exceeded its shareholder value creation commitment, which enables it to step up and bring forward the commitments adopted under its business plan 2015-2017E. Commercial activity remained strong, with order intake reaching 3,883 MW in the year, 17% higher than in 2014, in line with the upper end of the range committed in the business plan for 2017[2]. The order book stood at 3,197 MW, 28% higher than at 2014 year-end, and covered 71% of sales guidance for 2016[3].

Revenues amounted to €3,504 million in 2015, 23% higher than in 2014, and recurring EBIT amounted €294[4] million, a 54% year-by-year increase, while the EBIT margin was 8.4%, i.e. 1.7 percentage points higher than in 2014. Recurring net profit[4] increased by 73% to €175 million.

Apart from the consolidation of the profitable growth, Gamesa continued to improve working capital, which declined by 84% year-by-year to 0.3%[5] of revenues, over 2 percentage points lower than in 2014 (2.5%). As a result of profitable growth, control of working capital and focused capex, Gamesa generated €182[6] million in net free cash flow in 2015 and ended the year with a net cash position of €301 million on the balance sheet, in line with its goal of prioritising a strong balance sheet in a of expanding activity environment. The creation and consolidation of Adwen, the joint venture with Areva to operate in the offshore business, had a positive impact of €29 million on EBIT but a negative impact of €5 million on net profit. Including this impact, EBIT amounted €323 million and net profit €170 million.

Consolidated key figures 12M 2015

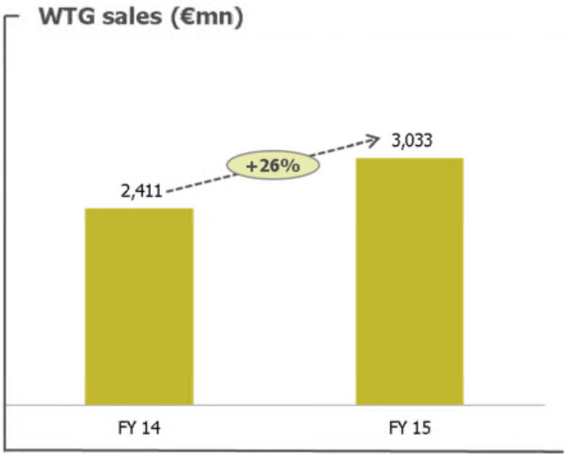
- **Revenues:** €3,504 million (+23.1% y/y)
- **Recurring EBIT pre-Adwen[4]**: €294 million (+54.1% y/y)
- **Recurring net profit pre-Adwen[4]:** €175 million (+73.2% y/y)
- **Net financial debt (NFD)[7]:** -€301 million (-0.6x EBITDA[8])
- **MWe sold:** 3,180 MWe (+21.3% y/y)
- **Firm order intake:** 3,883 MW (+17.1% vs. 12M 2014)

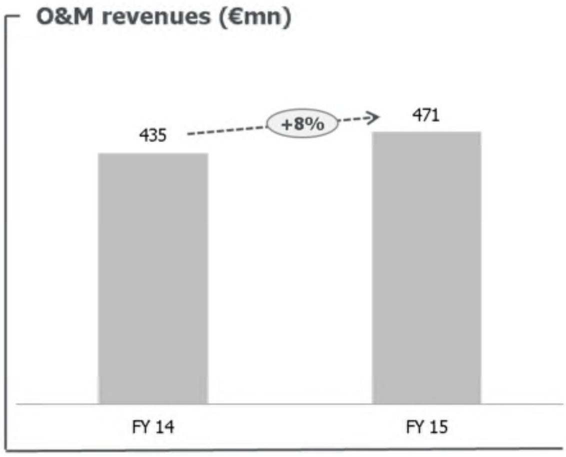
[1] Gamesa Corporación Tecnológica engages wind turbine manufacturing, which includes the development, construction and sale of wind farms, as well as operation and maintenance services.
[2] Volume of activity projected for 2017 under the business plan 2015-2017E: 3,500 MWe-3,800 MWe.
[3] Activity volume coverage calculated on the basis of volume guidance for 2016 of 3,800 MWe (guidance for 2016: >3,800 MWe).
[4] EBIT and net profit are expressed net of €29 million and -€5 million, respectively, in 2015 in connection with the creation and recognition of Adwen (equity method). Variations with respect to the 2014 numbers are calculated by excluding those items in 2015. EBIT and net recurring pre-Adwen profit in 2014 exclude €9 million special provision allocation.
[5] Ratio of working capital to revenues in the last twelve months.
[6] Net free cash flow before dividend payments, amounting to €23 million.
[7] Net financial debt as financial debt, including subsidised loans, derivatives and other current financial liabilities, excluding cash and other current financial assets.
[8] Recurring EBITDA pre-Adwen 2015.

Gamesa Corporación Tecnológica ended 2015 with revenues of €3,504 million, 23% higher than in 2014, due a to strong growth in wind turbine manufacturing and sales.

Revenues in the Wind Turbine Generator (WTG) division increased by 26% y/y, up to €3,033 million, due to growth in volume, favourable currency performance, and the launch of new products such as G114-2.0 MW and G114-2.5 MW, as well as greater heights of towers. Volume increased by 21% year-on-year to 3,180 MWe, supported by a recovery in sales in Europe and China and growth in India. In terms of customer types, electric utilities and others (industrial groups and promoters) were the main growth drivers (+27% and +28% y/y, respectively), followed by IPPs (+15%).

Revenues from O&M services amounted to €471 million, i.e. 8% higher than in 2014, supported by 6% y/y growth in the average post-warranty fleet under maintenance and by higher sales of value-added products, and offset by a reduction in the sale of spare parts.





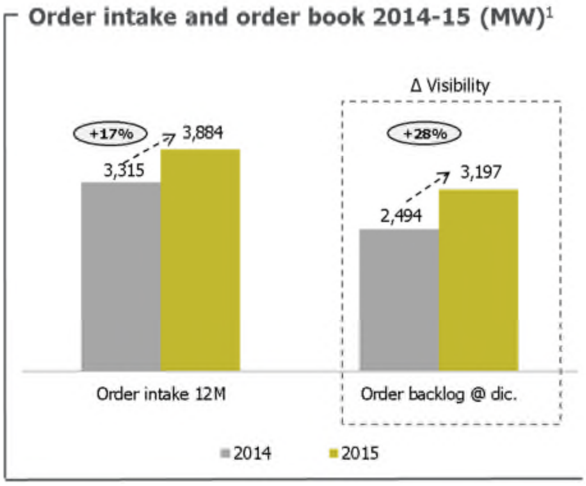
Revenue growth was supported by Gamesa's strong commercial activity in a context of an increasing demand worldwide. This global growth was driven by the recovery of the US market, acceleration of installations in China, commissioning of offshore installations in Germany and double-digit growth in emerging wind markets, such as India, Brazil and Mexico, where Gamesa has a strong position.

Gamesa's strong competitive position, supported not only by a diversified geographical footprint (presence in 54 countries) but also by an extensive customer base, a portfolio of products and services aimed at maximising the return on wind assets, and a presence throughout the wind value chain, enabled the company to leverage the increasing trend in order intake. Gamesa signed orders for **3,883 MW[9] in 2015, 17% higher than in 2014,** including 1,042 MW signed in the fourth quarter, 4% higher than in the third quarter of 2015**.** The intake order ratio in 2015 [10] was 1.22x, and the **order book at 2015 year-end stood at 3,197 MW, 28% higher** than at December, 2014. This volume of orders enabled Gamesa to begin 2016 **with 71% of its target sales already covered[11], i.e. seven percentage points** higher than the corresponding level at December, 2014.

[9] Firm orders and confirmation of framework agreements for delivery in the current and subsequent years. Includes firm orders signed in 4Q 2015 (604 MW) that were announced individually in 1Q 2016.

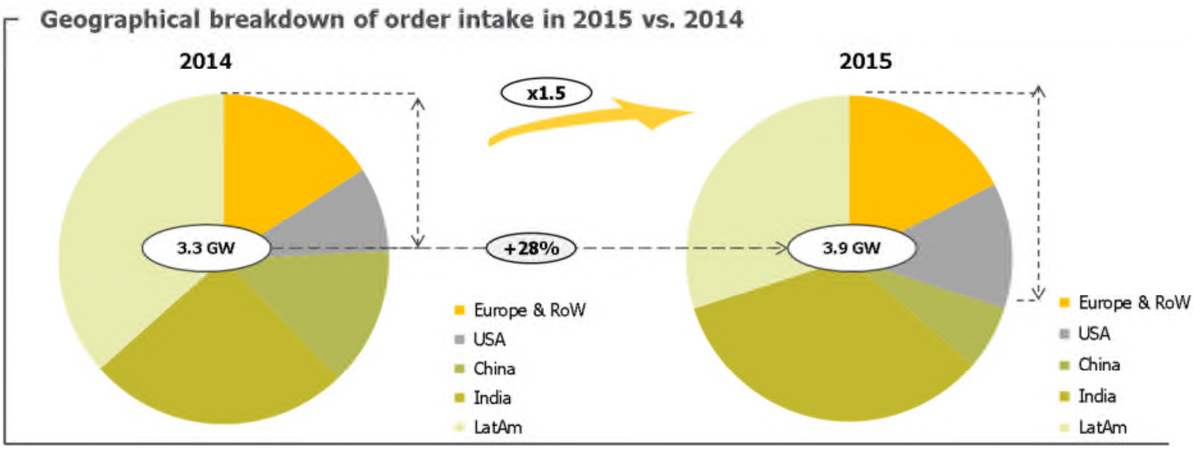
[10] Ratio of order intake to sales in the period (MWe).

[11] Coverage calculated on the basis of volume guidance for 2016: > 3,800 MWe



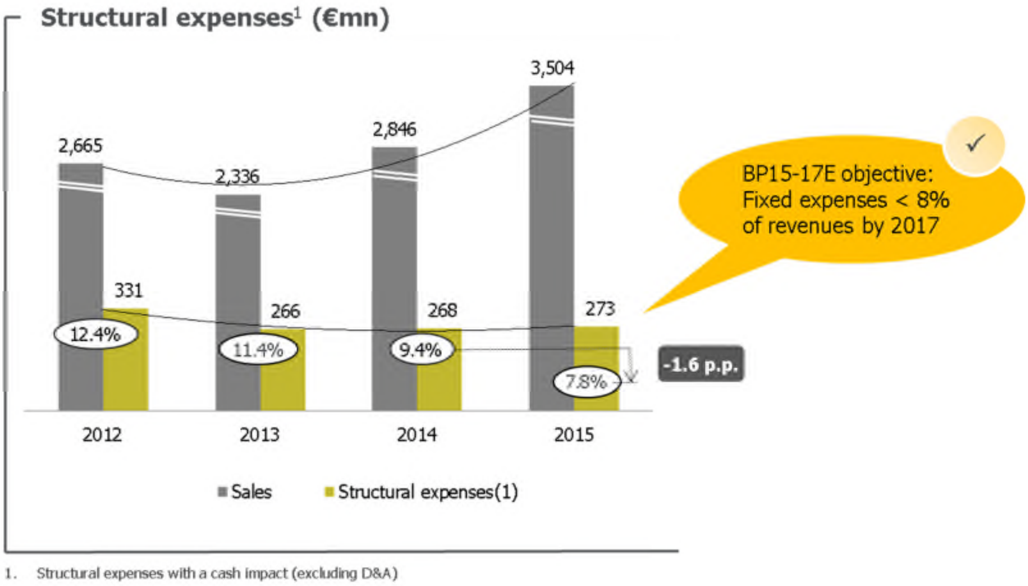
1. Firm orders and confirmation of framework agreements for delivery in the current and subsequent years. Includes 604 MW in orders signed in 2015 and announced in the first quarter of 2016.

Order intake in period included a strong contribution from new generations of products, G114 2.0-2.5 MW, whose contribution rose from 26% of order intake in 2014 to 50% in 2015. In geographic terms, there was a 45% increase in demand from mature markets—the US and Europe/RoW—with respect to the 2014 order intake, contributing a 30% to the total order intake (24% in 2014). Latin America and India continue to be the main drivers. India experienced a 54% y/y increase in orders contributing a 34% to total intake, while order intake in Latin America ex. Brazil doubled.

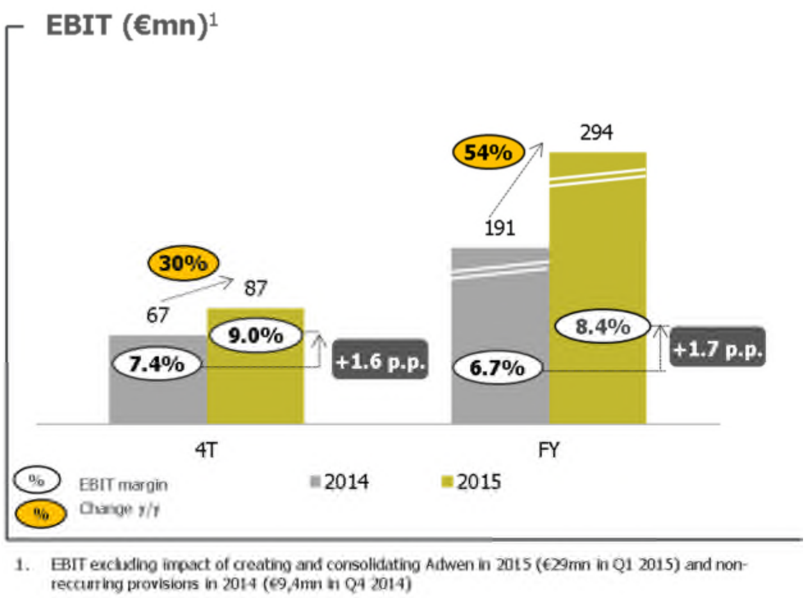


In this context of growing activity, Gamesa remained focused on controlling structural costs so as to maintain a low break-even point. As a result, at December, 2015, structural expenses[12] amounted to 7.8% of revenues; accordingly, the company has already achieved the objective for 2017 in the 2015-2017 business plan.

[12] Fixed expenses excluding depreciation and amortisation.



Control of fixed costs, together with the on-going optimisation of variable costs, has enabled Gamesa to offset a lower relative contribution to group revenues from O&M by enhancing returns in the manufacturing business and steadily increasing total operating profitability. The improvement in profitability was also favoured by a positive exchange rate impact, which contributed 0.6 percentage points to the improvement in operating profitability ratios in the period. **As a result, Gamesa ended 2015 with a recurring EBIT margin pre-Adwen of 8.4%[13],** nearly two percentage points (+1.7 pp) higher than in 2014, while **recurring EBIT pre-Adwen amounted to €294 million[13], 54% higher than in 2014.** Finally, profitability was particularly strong in the fourth quarter, with a 9% EBIT margin, and the exchange rate impact declined, contributing for just 0.1% of the improvement in EBIT margin in the quarter.

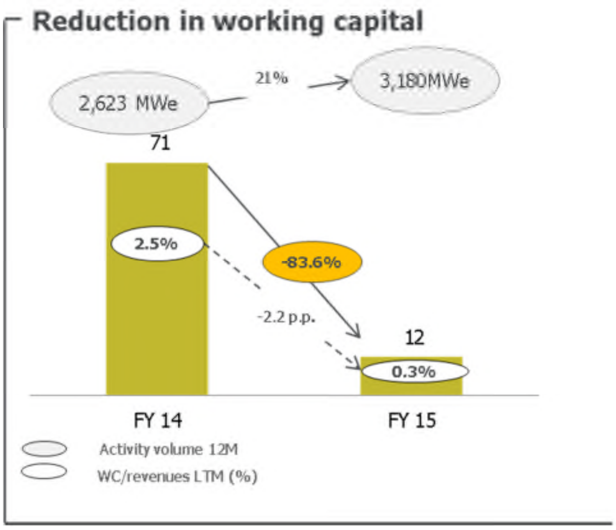


As a result of firming growth in volume and revenues and of a rising business profitability, **Gamesa's recurring net profit pre-Adwen increased by 73% in 2015 to €175 million[14].**

[13] EBIT and EBIT margin in 2015 excluding non-recurring impact of capital gains from the creation of the joint venture Adwen, which amounted to €29 million in 1Q 2015 (no impact in the remainder of 2015).
[14] Recurring net profit pre-Adwen, excluding a €5 million negative impact of recognising Adwen in 2015.

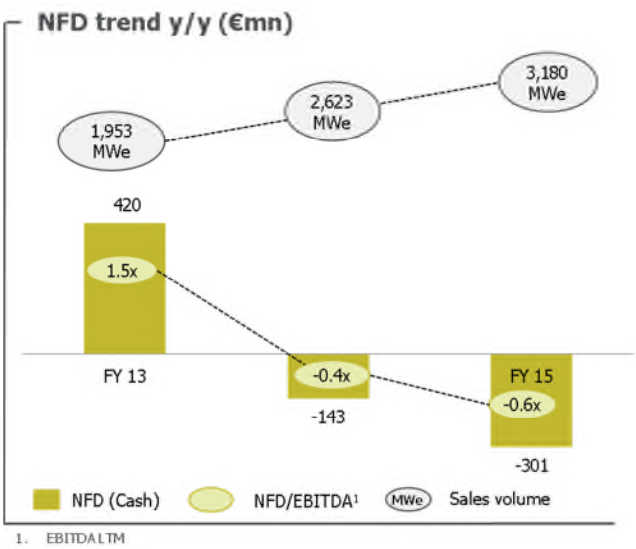
The launch and commissioning of Adwen, the joint venture to operate in the offshore segment, had an impact on Gamesa's EBIT and net profit. The impact on EBIT was €29 million, recognised in the first quarter of 2015, which raised accumulated reported EBIT in 2015 to €323 million, while the impact on net profit, -€5 million, reduced reported net profit to €170 million.

Within the area of investments in both property, plant and equipment and intangible assets, **Gamesa continued to improve the management of working capital**, reducing average working capital consumption by €98 million in 2015, ending 2015 with €12 million, equivalent to 0.3% of revenues, i.e. over two percentage points lower than in 2014.



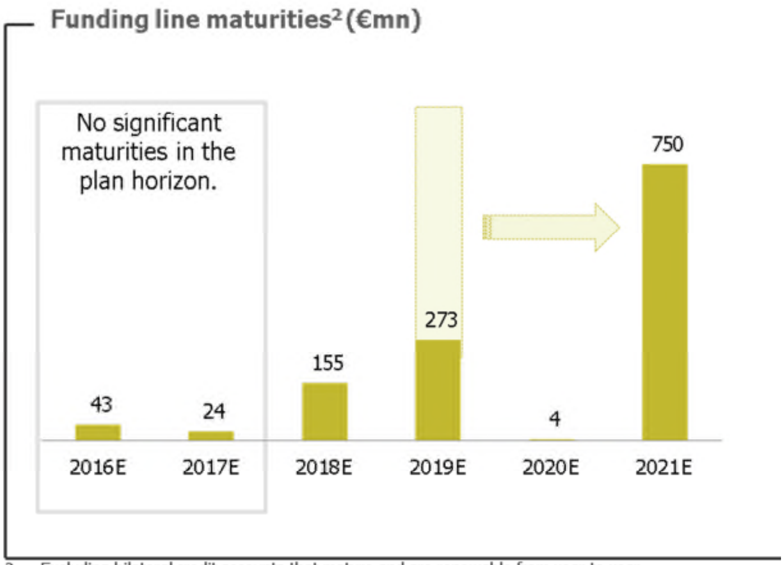
Regarding the modular **capex policy tailored to growth needs, Gamesa invested €168 million** in fixed assets in 2015, i.e. 4.8% of revenues, in line with the target range for the year (4%-5% of revenues).

This control of the investment, in a context of profitable growth, enabled Gamesa to generate **€182 million[15] in cash in 2015, ending the year with a net cash position of €301 million on the balance sheet,** equivalent to -0.6x times EBITDA[16]**,** compared with €143 million net cash at December, 2014, fulfilling the **goal of a strong balance sheet.**



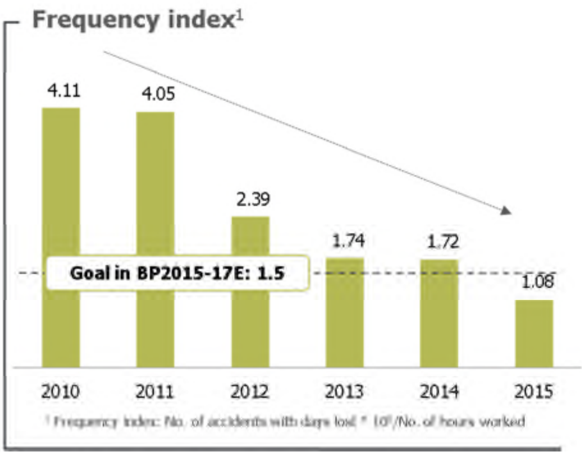
[15] Net free cash flow before dividend payments (€23 million)
[16] Recurring EBITDA pre-Adwen 2015.

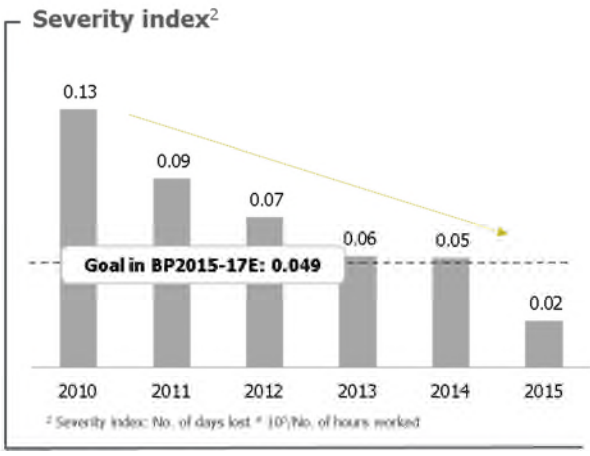
In December, Gamesa extended the maturity and improved the terms of its €750 million syndicated loan. Maturity was extended from 2019 to 2021, which increased the average duration of the group's borrowings; it still has no major maturities within the horizon of the 2015-17E business plan. At December 31, 2015, Gamesa had access to €1,770 million in financing lines.



2. Excluding bilateral credit accounts that mature and are renewable from year to year

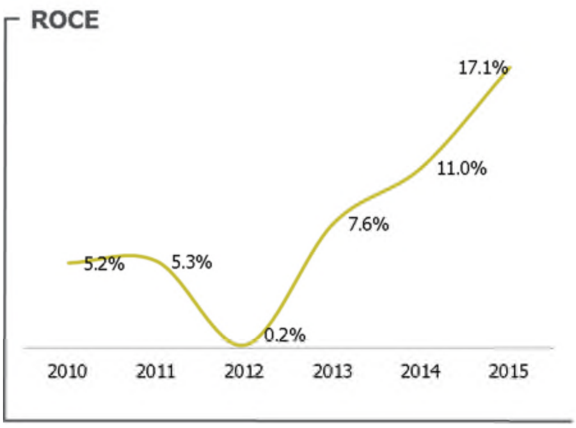
In this context of fulfilling its targets and steadily improving the management, Gamesa also met its goals in the area of workplace health and safety, where the Company maintains a decreasing trend of its frequency and severity indexes ahead of the goals set for the end of the business plan.

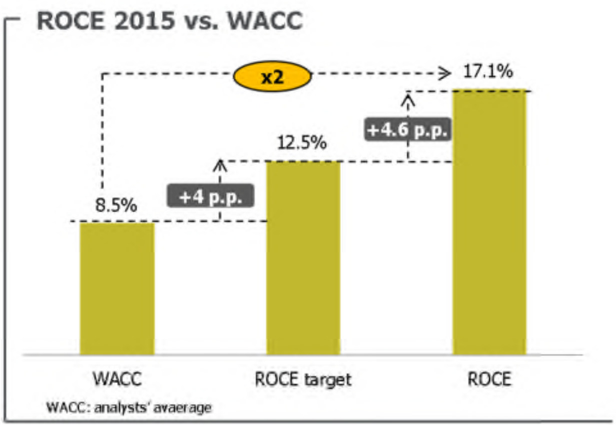




As a conclusion, **Gamesa ended 2015 having exceeded all its commitments while maintaining its focus on creating shareholder value.**

	2014	2015	2015 Guidance		
Volume (MWe)	2,623	**3,180**	c.3,100	✓	**Profitable growth:** revenues +23% y/y and EBIT +54% 2015 vs. 2014
Revenues (€mn)	2,846	**3,504**	c.3,400	✓	
EBIT margin[1]	6.7%	**8.4%**	≥8%	✓	
WC/revenues	2.5%	**0.3%**	<5%	✓✓	**Control of capital consumption and capex**
Capex/revenues	3.1%	**4.8%**	4%-5%	✓	
ROCE	**11%**	**17%**	**≥WACC+4%**	✓✓	**Creating value**
Dividend proposal: pay-out ratio		25%	≥25%		**Dividends resumed**





Main factors

Activity

In 2015, Gamesa sold 3,180 MWe, 21% higher than the activity volume in 2014. This growth was driven mainly by growth in India, China and Europe, while the contribution by customer type was relatively stable with respect to 2014.

	12M 2014	12M 2015	Chg.
WTG sold (MWe)	2,623	3,180	21.3%

Geographical breakdown of wind turbine sales (MWe) (%)	12M 2014	12M 2015
USA	15%	11%
China	9%	13%
India	26%	29%
Latin America	34%	27%
Europe and RoW	16%	18%
TOTAL	**100%**	**100%**

Activity in 2015 was focused in the Gamesa 2.0 MW segment, which represented 98% of total MW sold, compared to 97% in the same period of 2014. The Gamesa G114 2.0 MW platform accounted for 24% of activity in the period, compared with 6% in 2014, evidencing the new platforms' growing importance.

Within the services division, Gamesa had 20,973 MW under operation and maintenance, slightly higher than at the end of 2014. Growth in the fleet under maintenance came mainly from emerging markets India and Brazil, which offset a decline in mature markets. The average post-warranty fleet under maintenance increased by 6% in the year.

	12M 2014	12M 2015	Chg.
MW under operation and maintenance at end of period	20,770	20,973	1%

Profit & Loss

Revenues amounted to €3,504 million in period, 23% higher than in 2014. This increase was due mainly to sales of the WTG division.

The main drivers of growth in WTG revenues (which increased by 26% year-by-year) are:

- +21% increase in volume
- Currency appreciation compared with average rates in 12M 2014 (6% positive impact)
- Increase in the average price of WTGs due to larger rotors and higher towers, partially offset by a greater contribution to total sales by China and India

Services revenues increased by 8.2% with respect to 2014. Revenues performed in line with growth in the average post-warranty fleet under contract in 2015 (+6% vs. 12M 2014) and the increase in value-added services, partly offset by lower sales of spare parts.

Gamesa ended 2015 with recurring EBIT pre-Adwen of €294 million. The EBIT margin trended upwards during the year, reaching 9% in the fourth quarter**, and stood at 8.4% in the full year (vs. 6.7% in 12M 2014).** EBIT performance is attributable to:

- Volume effect (+1.5 p.p.)
- fixed cost performance (-0.1 p.p.),
- contribution margin performance (-0.3 p.p.)
- currency performance (+0.6 p.p.)

The lower contribution margin in 12M was due to the lower contribution by Operation & Maintenance to total revenues (13% vs. 15% in 12M 2014), and to provisions for impairment in the promotion portfolio to an amount of €11.7 million (no ordinary provisions in 2014). Programmes to optimise variable costs and retain quality leadership offset the tensions caused by growth, capacity expansion and the learning curve associated with new products.

The exchange rate impact trended in line with projections at the beginning of the year (+/- 0.5 percentage points), falling steadily as the year advanced to reach 0.1 percentage points in the fourth quarter. The steady decline in the currency impact in 2015 was expected because of the company's dynamic hedging policy and greater localisation of component procurement.

Net financial expenses in the period amounted to €33.5 million, compared to €42 million in 2014, while exchange losses amounted to €10.6 million (negative), compared with exchange losses of €4 million (negative) in 2014, due to greater currency volatility in 2015, particularly in the third quarter.

The tax expense (pre-Adwen) amounted to €68 million, equivalent to a marginal rate of 27%, in line with 2014 and within the guidance range for the year.

As a result, **recurring consolidated net profit before Adwen amounted €175 million (€101 million in 12M 2014).**

The impact on consolidated profit of recognising Adwen (no impact on cash flow) was as follows:

- Capital gain: €29.2 million
- Equity method income from the 50% stake in Adwen since March: -€26.0 million
- Tax expense estimate: -€8.2 million
- Total impact on net profit: -€5 million

As a result, including Adwen, EBIT amounted to €323 million, while net profit amounted €170 million.

Balance sheet

As reflected by the main balance sheet indicators**, Gamesa maintained a strong financial position in a context of increasing activity.**

	12M 2014	12M 2015
Working capital/Revenues	2.5%	0.3%
NFD/EBITDA	-0.4x	-0.6x
ROCE	11.1%	17.1%

The impact on the balance sheet of including Gamesa's 50% stake by equity method in Adwen is summarised below:

- **Net assets contributed to Adwen and derecognised on Gamesa's balance sheet, and transaction costs: €165.8 million** (mainly property, plant and equipment and intangibles)
- **Value assigned to the contribution recognised on Gamesa's balance sheet: €195 million** (€100 million for the equity-method 50% stake in the Adwen joint venture, and €95 million in non-current financial assets, i.e. the shareholder loan).

Key Figures of the Consolidated Income Statement and Balance Sheet

(€ million)	12M 2014	12M 2015	Chg.
Revenues	2,846	3,504	*+23.1%*
Recurring EBITDA pre-Adwen	366	520	*+42.1%*
Recurring EBITDA pre-Adwen /Revenues (%)	12.9%	14.8%	*+2.0%*
Recurring EBIT pre-Adwen	191	294	*+54.1%*
Recurring EBIT pre-Adwen/Revenues (%)	6.7%	8.4%	*+1.7%*
EBIT	181	323	*x1.8*
EBIT/Revenues (%)	6.4%	9.2%	*+2.8%*
Profit (Loss) pre-Adwen	101	175	*1.7x*
Profit (Loss)	92	170	*1.9x*
NFD	-143	-301	*-159*
Working capital	71	12	*-60*
CAPEX	109	168	*+59*

In 2015, in line with the modular capex strategy presented in the business plan 2015-17, Gamesa invested €168 million in property, plant and equipment and intangible assets to cater needs for the expected demand growth, and new product launches and operation and maintenance services. In addition to R&D expenditure, Gamesa invested in logistics, tooling, and blade capacity—both new capacity and product replacement due to the introduction and strong penetration by the G114 (2 MW and 2.5 MW) and G126 (2.5 MW) generators—in all regions where it operates.

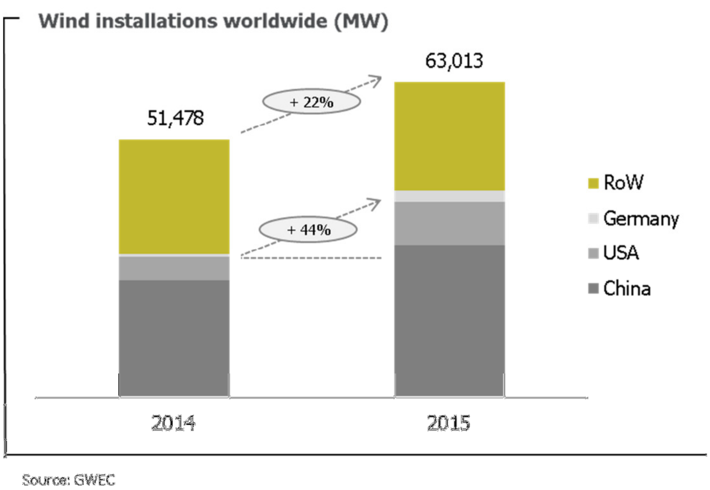
2. FORECASTED EVOLUTION

Outlook

Market

Growth in installations in 2016E-17E will continue to be focused on emerging markets, where Gamesa has a sound competitive position

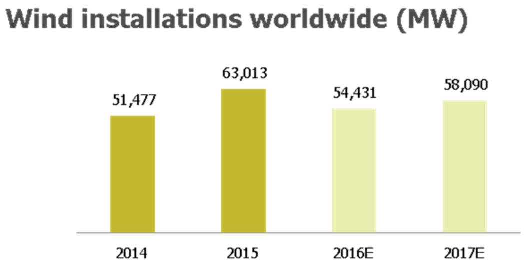
The year 2015 experienced a record volume of installations: 63,013 MW[17], as a result of peak levels in China, EE.UU and Germany. These high volumes were the result of specific events that are not expected to occur in the immediate future. In 2015, volume reacted to a growth in onshore installations in China (30,500 MW[16], +31% y/y) and USA (8,598 MW[16], +77% y/y) represented a 70% of gross annual growth and 60% of total onshore installations. In both markets, projects were accelerated by the prospect of regulatory changes: a reduction in feed-in fees for wind farms commissioned after 2016 in China, and uncertainty as to whether tax incentives for wind power production would be extended in the US. Germany connected 2,282 MW of offshore[16] capacity, i.e. 62% of total offshore capacity installed in 2015, compared to 543 MW in 2014, due to overcoming grid connection problems, which enabled projects that had been delayed since 2013 to be commissioned.

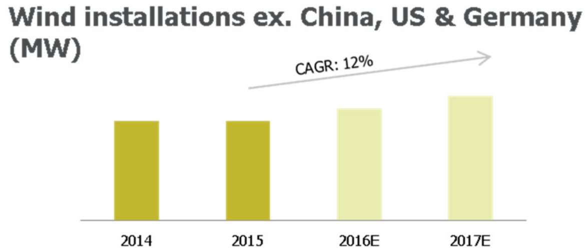


The expected deceleration in the pace of installations in 2016-17E is due to the expectation that those three markets will normalizel levels in those years. However, despite the global deceleration, it is important to note that growth is expected in other geographies, particularly in non-mature markets, where Gamesa has a sound competitive position. In particular, the Asia-Pacific region, excluding China, is expected[18] to register 22% growth (CAGR 15-17E), Latin America, 7% and Africa & the Middle East, 65%. Within Asia-Pacific ex-China, India, which ranks first in terms of new installations (2,623 MW[16], i.e. 84% of the 2015 total), expects 18% growth in that period; within Latin America, Mexico, which ranked second in 2015 (714 MW, 16% of the total installations in the year), expects 31% growth in the period (CAGR 15-17E). Gamesa has a leading position in both countries.

[17] Global Wind Energy Council (GWEC)

[18] Source of market projections for 2016E-17E: MAKE (Global Market Outlook Update for 4Q 2015 and update for US market in January 2016, after the multiannual PTCs extension)

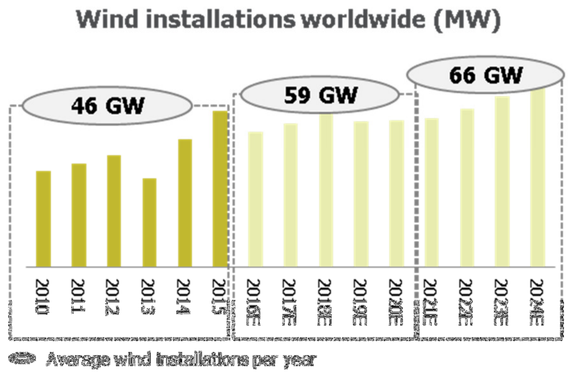




Source: MAKE Q4 Market Outlook Update, including US market update January 2016;
Installations 2014-15: GWEC

Regulatory decisions and renewable commitments made in 2015 support a stable long-term growth in wind demand

Beyond the immediate term, regulatory developments and renewable commitments made in 2015 support stable long-term growth in demand; the average pace of installation is expected to rise from 46GW per year in 2010-2015 to 66 GW in 2021-2024E[19].



Source: MAKE 4Q 2015 inc. including US market estimates January 2016; historic data from GWEC

Among the regulatory decisions and renewable commitments, those made during COP21 are particularly important, as is the extension of the tax incentives for wind production in the US, both of which occurred in the fourth quarter of 2015.

[19] Source of market projections for 2015E-2024E: MAKE (Global Market Outlook Update for 4Q 2015 and update for US market in January 2016, after the PTCs were extended for several years). Source of historical data: Global Wind Energy Council (GWEC)

- **COP21: global agreement to limit the temperature rise**

During COP21, held in Paris from November 30 to December 15, 2015, a **global agreement was reached to limit the increase in the world's average temperature to 2ºC** with respect to pre-industrial levels, with efforts being made to achieve an even lower increase: 1.5ºC. Climate change is recognized as an urgent and potentially irreversible threat to society and the planet that requires swift and concerted global action in which the reduction of greenhouse gases plays a key role.

To achieve the objective of controlling the temperature rise, the 186 signatory countries undertook to reach peak greenhouse gas emissions as soon as possible and then reduce them as quickly as possible in the context of sustainable development.

The voluntary commitments proposed by each of de 186 countries, will be reviewed every five years and adjusted upwards as far as possible in order to reach the objective of controlling the global temperature rise below 2ºC, **objective that would not be reached with the initial proposal of reducing emissions.**

Among the proposals for reducing emissions of greenhouse gases, one hundred countries mentioned the increase in the share of renewable energies in their energy mix and seventy specifically mentioned wind power, with some even proposing specific targets. China, the world's largest wind market, plans to achieve 200 GW in total installed capacity by 2020; India, the second-largest wind market in Asia in terms of installed capacity, plans to reach 60 GW by 2022; Turkey, one of the fastest-growing wind markets and the largest in the EMEA region, targets 16 GW by 2030, while Morocco, one of the main markets in North Africa, plans for wind to contribute 14% of its energy mix.

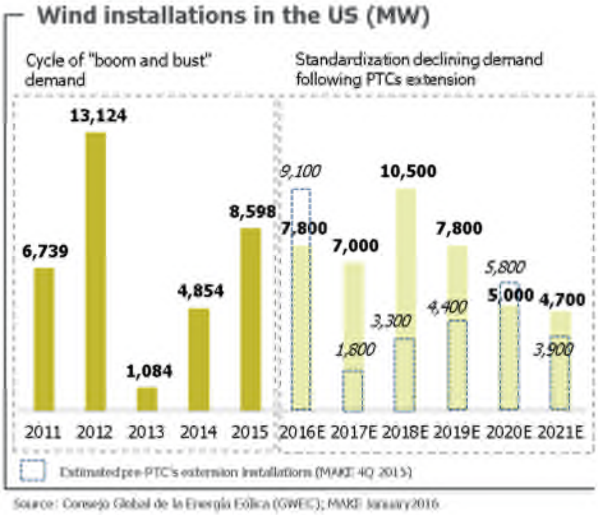
The agreement recognizes that the developed countries must lead this process and that it will take longer for developing countries. There is a continuing need to contribute to financing actions (**financial mechanism**) to mitigate the effects of climate change in developing nations through, inter alia, a fund to which the minimum annual contribution is €100 billion. In addition to the financial mechanism, a **technology mechanism** was established to facilitate the transfer of technology between signatory countries in order to reduce emissions. Additionally, a **cooperation mechanism** was created to enable a country to reduce GHG emissions by investing in projects of reducing emissions in third countries. This mechanism have similarities with the existing “Clean Development Mechanism”.

- **USA: Extension of tax credits for wind production**[20]

Demand in the US has been subject to fluctuations due to the fact that the main incentive mechanism—production and investment tax credits (PTCs and ITCs)—were available for relatively small periods of time reducing visibility with respect to investment decisions for the medium and, above all, long term. These demand fluctuations were particularly intense in 2011-2015, as the incentive expired in 2012 and was renewed for annual periods in 2013 and 2014 (the latter retroactively).

In this context**, the decision adopted on December 18 to extend the tax credits for five years, over which they would gradually tail off, is clearly positive for wind investment in the US. Not only does it pave the way for relatively normal demand development in the future, but it also greatly increases the prospects of new installations.**

[20] US incentive mechanisms for renewable energy: production tax credits (PTC) and investment tax credits (ITC).



The incentives will tail off gradually on the basis of the year in which construction commences: by 20% per year to zero in 2020. According to this decreasing regime, only projects whose construction starts in 2016 are qualified for 100% of the incentive (23 USD/MWh for 10 years). Between 2017 and 2019, the incentive will be reduced by 20% per year.

Start of construction:	**2016**	**2017**	**2018**	**2019**	**2020**
PTC[19] (Base=23 USD/MWh)	100%	80%	60%	40%	0%

It is important to note that the IRS[21], which supervises the tax credits, has yet to clarify the two conditions that projects must fulfil to be qualified for the incentives:

- "Start of construction", which in previous extensions included not only current commencement but also investment of 5% of the total project cost by, for example, purchasing the WTGs or substation for the project.
- “Continuous progress”: under previous extensions, it was sufficient for the project to enter into service within two years from the beginning of the construction. Lags of higher than two years required presentation of additional documentation evidencing "continuous progress".

Subject to those clarifications, projects commissioned before 2019 (whose construction starts in 2016) will receive 100% of the incentive; those commissioned in 2019 (whose construction starts in 2017) will collect 80%; and successively up to 2021.

Commercial operation date (COD)[22]:	**2016-2018**	**2019**	**2020**	**2021**	**2022**
PTC[19] (Base=23 USD/MWh)	100%	80%	60%	40%	0%

In addition to the extension of tax credits for wind production, offshore projects qualify for investment tax credits (ITC)[23], which will also be phased out. Projects whose construction starts in 2016 will qualify for a 30% investment tax credit. The credit will be 24% for projects whose construction starts in 2017, 18% for those starting in 2018, and 12% for those starting in 2019.

[21] IRS: Inland Revenue Service.
[22] COD: Commercial Operation Rate
[23] ITC: Investment Tax Credits

2016 Guidance

2015 performance aligned with the priorities in the BP 2015-17.

In this favourable environment for demand in the short, medium and long term, Gamesa ended 2015 fully aligned with the priorities defined in its BP 2015-17E, in terms of both finances and management:

- **Seizing growth opportunities**, due to its strong competitive position in non-mature markets, with the result that revenues increased by 23% y/y to €3,504 million and the order book reached 3,197 MW at year-end, 28% higher than at the end of 2014. The order book and strong commercial activity provide a high degree of visibility for the volume targets this year.
- **Controlling structural expenses and steadily improving variable expenses**, which enabled Gamesa to:
    - fulfil in 2015 its 2017 goal of reducing fixed costs to below 8% of revenues,
    - offset the tensions caused by growth in emerging markets, new product launches and bringing new capacity on stream, and
    - offset the lower revenue contribution from services with higher levels of profitability,

  to end the year with increasing profit margins: the recurring EBIT margin pre-Adwen was 8.4%, 1.7 percentage points higher than in 2014.

- **Maintaining a strong balance sheet** due to profitable growth and control of working capital and fixed assets which enable it to end the year with a net cash position of €301 million, while working capital amounted to 0.3% of revenues and capex to 4.8% of revenues.
- **Working to boost the competitiveness of the product and service pipelines**, improving our position in mature markets with the launch of the 3.3 MW platform, which was presented at the Paris farm. The addition of the new platform gives Gamesa access to 100% of the onshore market and improves its competitive position in markets where 3 MW machines predominate, such as Canada, South Africa, Australia and Northern Europe.
- Finally**, Gamesa advances steadily to seek additional growth and value-creation opportunities beyond 2017, entering the offshore business by creating Adwen in 2015 and the beginning of solar photovoltaic activity in India, through the signature of contracts to develop 59 MW of solar projects**; the first project (11 MW) has already been delivered.

Making it possible to step up the commitments for 2017 and bring them forward

The result is that **Gamesa has improved on the commitments made in the business plan 2015-17 and brought them forward to 2016**: more profitable growth, while keeping capex and working capital under control, with the ultimate goal of accelerating shareholder value creation and paying attractive remuneration.

Gamesa now targets double-digit growth, above 19%, to achieve a volume of over 3,800 MWe and recurring EBIT pre-Adwen above €400 million[23], equivalent to over 36% annual growth and an EBIT margin above 9%[23].

In this context of growing beyond initial expectations, Gamesa will maintain its modular capex plan in order to keep satisfying its demand, with a capex goal that is similar to the 2015 objective: 4% - 5% of revenues. However, it has halved its working capital target: from 5% to 2.5% of revenues. Within term evolutions and in contrast with past trends, Gamesa expects both volume and profitability to be slightly stronger in the first half of 2016.

	2015	2016 Guidance[1]	2015 Guidance	
Volume (MWe)	3,180	>3,800	3,500-3,800	More profitable growth: activity >19%; operating profitability ≥36%
Underlying EBIT	294	>400	c. 362	
EBIT margin	8.4%	≥9%	>8%	
WC/revenues	0.3%	≤2.5%	<5%	Keeping capex and working capital under control
Capex/revenues	4.8%	4%-5%	<3.5%	
ROCE	**17%**	**Rising y/y**	**Rising y/y**	**Accelerating** value creation
Dividend proposal: pay-out ratio	25%	≥25%	≥25%	**Offering attractive remuneration**

1. At January-February 2016 average exchange rate and assuming no change in consolidation scope

Conclusions

In a context of increasing global demand, in which Gamesa's competitive position is improving, the company ended 2015 **with growth, profitability and balance sheet numbers that surpassed its commitments for the year and provided a 17% return on capital employed,** 6 percentage points higher than in 2014 and double the company's weighted average cost of capital[24].

Revenues amounted €3,504 million, i.e. 23% higher than in 2014, with a recurring pre-Adwen EBIT margin of 8.4%[25], i.e. 1.7 percentage points higher than in 2014. Favourable currency performance accounted for 5% growth in revenues and a 0.6 p.p. increase in the margin. **In absolute terms, and excluding Adwen, EBIT amounted to €294 million,** 54% higher than in 2014**, while net profit excluding Adwen increased 1.7x to €175 million[26].**

The company's strong competitive position was reaffirmed by sustained strong commercial activity, as **order intake increased by 17% y/y to 3,883 MW in 2015**, in line with the upper limit of the business plan target for 2017.The **order book at the end of December 2015 stood at 3,197 MW, 28% higher than a year earlier and covering 71%[27]** of the sales volume projected for 2016, i.e. 7 percentage points higher than the corresponding figure at 2014 year-end**.**

While increasing revenues and profitability, Gamesa continues to prioritise a strong balance sheet by controlling both working capital and capex. Against a backdrop of rising activity, Gamesa reduced working capital by 84% with respect to the end of 2014 and improved the working capital/revenues ratio by over 2 percentage points, to 0.3%. This reduction in working capital, together with greater operating cash flow and capex planning tied to growth**, enabled Gamesa to end 2015 with a net cash position of €301 million, equivalent to an NFD/EBITDA ratio of -0.6x.**

The fact that Gamesa exceeded its goals for 2015, coupled with its solid competitive positioning and a management focus on shareholder value creation, have enabled the company to **increase its goals for 2017 and bring them forward to current period[28].** Strong commercial activity, reflected in the order intake reaching the high end of the volume range projected for 2017, makes it possible to project activity exceeding 3,800 MW in 2016. Growth in activity, control of structural expenses and ongoing cost optimisation make it possible to increase absolute profitability goals by 10% with respect to the initial target for 2017 and by 36% with respect to 2015, to €400 million, equivalent to a margin of at least 9%. Gamesa maintains its commitment to a sound balance sheet, which it will fulfill through strict control of working capital, which is targeted not to exceed 2.5% of revenues; capex will continue

[24] Weighted average cost of capital: 8.5% based on average from analysis firms and internal calculations.
[25] Excluding the impact of creating and booking Adwen on EBIT (€29 million) and net profit (-€5 million).
[26] Recurring net profit pre-Adwen, excluding a negative impact of €5 million that correspond to de consolidation of Adwen in 2015
[27] Coverage calculated as orders for activity in 2016 with respect to the volume guidance for 2016 (>3,800 MWe).
[28] Guidance at average January-February exchange rate and assuming no change in consolidation scope.

to be driven by the company's growth needs while remaining approximately in line with 2015 as a percentage of revenues. The company also undertakes to maintain an attractive remuneration policy, with a pay-out ratio of 25%[29] or higher; the final amount will depend on additional growth and value creation opportunities that are within the company's reach.

3. MAIN BUSINESS RISKS

Gamesa Group is exposed to certain financial risks that it manages by grouping together risk identification, measurement, concentration limitation and oversight systems. Gamesa's Corporate Division and the business units coordinate the management and limitation of financial risks through the policies approved at the highest executive level, in accordance with the established rules, policies and procedures. The identification, assessment and hedging of financial risks are responsibility of each business unit, together with the Corporate Division.

The risk associated with changes in exchange rates assumed for GAMESA's transactions involve the purchase and sale of products and services relating to its activity that are denominated in various currencies.

In order to mitigate this risk, GAMESA has obtained financial hedging instruments from financial institutions.

4. USE OF FINANCIAL INSTRUMENTS

Gamesa Group uses financial hedges which allow the Group to mitigate risks involving exchange rates, interest rates, and equity volatility that could affect the Group estimated results based on estimates of expected transactions in its various areas of activity.

5. SUBSEQUENT EVENTS

There were no significant events subsequently to the year end.

6. RESEARCH AND DEVELOPMENT ACTIVITIES

Technological development is established within a multi-year framework that is rolled out in the Annual Technological Development Plan, where activities and deliverables are established for each year, and to which a budget is finally assigned.

In 2015, the main increase in the the section “Research development costs” of the Intangible Assets was due to the development of Gamesa Innovation and Technology, S.L. of new wind turbine models and to the optimisation of the performance of their components amounting, in total for the entire Group, approximately €44,234 thousands (approximately €49,766 thousands in 2014).

[29] Subject to a proposal by the Board and approval by the Shareholders' Meeting.

7. TREASURY SHARE OPERATIONS

At December 31, 2015 Gamesa holds a total of 3,116,702 treasury shares representing 1.116% of share capital.

The total cost for these treasury shares amounts €46,244 thousands, each with a par value of €14,837.

A more detailed explanation of transactions involving treasury shares is set out in Note 18.E of the Notes to the Consolidated Financial Statements at December 31, 2015.

8. CAPITAL STRUCTURE

CAPITAL STRUCTURE, INCLUDING SECURITIES TRADED ON A COMMUNITY REGULATED MARKET, INDICATING, WHERE APPROPRIATE, THE DIFFERENT NATURE OF SHARES AND FOR EACH TYPE OF SHARES, THE RIGHTS AND OBLIGATIONS GRANTED AND PERCENTAGE OF CAPITAL REPRESENTED:

In accordance with Article 7 of the By-laws of Gamesa Corporación Tecnológica, S.A., in the wording approved on May 8, 2015 *"The share capital is FOURTY SEVEN MILLION FOUR HUNDRED SEVENTY FIVE THOUSAND SIX HUNDRED NINETY THREE EUROS AND SEVENTY-NINE CENTS (€47,475,693.79), represented by 279,268,787 ordinary shares of seventeen cents nominal value each, numbered consecutively from 1 to 279,268,787, comprising a single class and series, which are fully subscribed and paid."*

SIGNIFICANT DIRECT AND INDIRECT SHAREHOLDINGS

According to public information in the possession of GAMESA CORPORACION TECNOLOGICA, S.A. the capital structure at December 31, 2015 is as follows:

Name of shareholder	Number of direct voting rights	Number of indirect voting rights (*)	% total voting rights
IBERDROLA, S.A.		54,977,288	19,686
BLACKROCK, INC.		8,397,066	3,007
FIDELITY INTERNATIONAL LIMITED		3,084,395	1,104

(*) Through:

Name of direct holder of the stake	Number of direct voting rights	% total voting rights

9. RESTRICTIONS ON THE TRANSFER OF SHARES

There are no restrictions on the transfer of shares.

10. SIGNIFICANT DIRECT AND INDIRECT SHAREHOLDINGS

See point 8.

11. RESTRICTIONS ON VOTING RIGHTS

There are no restrictions of any kind on voting rights.

12. SHAREHOLDER AGREEMENTS

Gamesa Corporación Tecnológica, S.A. is not aware of the existence of any shareholder agreements.

13. REGULATIONS APPLICABLE TO THE APPOINTMENT AND REPLACEMENT OF THE MEMBERS OF THE BOARD OF DIRECTORS AND AMENDMENT OF THE CORPORATE BY LAWS

Pursuant to the provisions of article 30 of the Gamesa CORPORACIÓN TECNOLÓGICA, S.A. Corporate By-laws, members of the Board of Directors are *"appointed by the General Meeting"* and *"should a vacancy arise during the term of office of a Director, the Board may appoint a shareholder to fill the vacancy until the first General Meeting is held",* always in compliance with the provisions of the Spanish Capital Companies Act and the Corporate By-laws.

In accordance with the Article 13.2 of the Board of Directors Regulations candidatures for the office of Director submitted by the Board of Directors for deliberation by the Shareholders General Meeting and the appointment decisions made by the said body pursuant to the interim powers conferred by law on the said body shall be preceded by the corresponding proposal by a) the Appointments and Remuneration Committee in the case of independent Directors, or b) by a report by the said Committee in the case of all other categories of Directors. Article 13.3 of the Board of Directors Regulations provides that *"where the Board of Directors should reject the proposal or the report of the Appointments and Remuneration Committee, it must state its reasons for this and record the said reasons in the minutes."*

Article 14 of the said Regulations provides that *"the Board of Directors and the Appointments and Remuneration Committee, within the scope of their powers, shall seek to ensure that the proposal and election of candidates corresponds to persons of renowned respectability, solvency, competence, and experience.*

In the case of Directors which are legal persons, the natural person who is to represent them in the exercise of the powers associated with the office of Director shall be subject to the same requirements of the prior pharagraph."

Finally, article 7.4 of the Appointments and Remuneration Committee Regulations makes it the responsibility of that *"to ensure that when filling vacancies on the Board of Directors, the selection procedures used are not subject to any implicit bias resulting in any discrimination of any kind.*"

With regard to the re-election of Directors, article 15 of the Board of Directors Regulations provides that *"any proposals for the re-election of Directors that the Board of Directors may decide to submit to the Shareholders General Meeting must be subject to a formal evaluation process under the terms provided by law. The agreement of the Board of Directors of summiting the re-election of directors to the Shareholder General Meeting shall necessarily include a proposal or report issued by the Appointments and Remuneration Committee, while the one of the remain directors should have a prior favourable report by such Committee.*

The Directors that form part of the Appointments and Remunerations Committee must abstain from being involved with any deliberations and votes that involve themselves.

The re-election of a Director that takes part in a Committee or that practices and internal position in the Board of Directors or in any of its committees will determine its continuation in such position *without the necessity of an express re-election and that does not affect the revocation power that corresponds to the Board of Directors."*

The dismissal of Directors is governed by article 16 of the Board of Directors Regulations, which provides that *"Directors shall cease to hold office upon the expiry of the term for which they were appointed without prejudice to the possibility of being re-elected, and upon a decision in this regard taken by the Shareholders General Meeting on the mention of the Board of Directors or of the shareholders in accordance with the terms provided by law."*

The procedures and circumstances with regard to the dismissal shall be those laid down in the Spanish Capital Companies Act and in the Commercial Registry Regulations.

Pursuant to the provisions of Article 16.2 of the Board of Directors Regulations, *"Directors shall tender their resignation to the Board of Directors, and where the Board should consider it appropriate, shall step down-following a report by the Appointments and Remuneration Committee-in the following circumstances:*

a) In the case of Proprietary Directors where said Directors or the shareholders they represent should cease to hold a significant and stable shareholding in the Company, or where they said shareholders should revoke the representation conferred on the Director.

b) In the case of executive Directors, when they cease the executive positions to which its appointment as Director is associated, and in any case, where the Board of Directors should consider this appropriate.

c) In the case of non-executive Directors, where they should join the executive line of the Company or any of the Group companies.

d) Where, for supervene in reason, they incur in any of the circumstances of disqualification or prohibition envisaged in the current regulations, in the Corporate By-laws, or in these Regulations.

e) Where they are charged with an alleged criminal offense, or are served with notice that they are to be tried for any of the offenses listed in the provisions relating to disqualification from holding the office of director envisaged in the Spanish Capital Companies Act, or are the subject of disciplinary proceedings for a serious or very serious offense commenced by the regulatory authorities

f) Where they should receive a serious reprimand from the Board of Directors, or should be punished for a serious or very serious offense by a public authority, for having infringed their duties as Directors.

g) When their remaining on the Board may jeopardise the Company's interests or when the reasons for which they were appointed no longer exist.

h) Where, for reasons attributable to the Directors in their capacity as such, serious harm has been caused to the Company's standing, or they should lose the commercial and special respectability necessary in order to be a Director of the Company."

In accordance with points 3,4 and 5 of the quoted article *"in any of the indicated events in the prior section, the Board of Directors will require the Director to cease from its position and where appropriate, will propose its resignations to the General Meeting. As an exception, it will not be applicable the aforementioned in the resignations cases determined in the letters a), d), f) y g) when the Board of Directors estimates that are causes that justify the permanency of the Director, without prejudice to the effect that the new supervening circumstances may have on its mark.*

The Board of Directors will only be able to propose the resignation of an independent Director before *the course of his mandate when it ends until fair cause, considered by the Board of Directors, on the motion of the Appointments and Remunerations Committee. Particularly, for having break the inherent duties of its positions or for having incurred in any circumstance provided in the law as incompatible for the entrance to that category.*

The Directors that may resign from their position before the termination of their duty should send a letter to all the members of the Board of Directors explaining the reasons of the resignations".

Rules applicable to the amendment of the Corporate By-laws

The amendment of the Gamesa Corporación Tecnológica, S.A. Corporate By-laws is governed by the provisions of Articles 285 to 290 of the Spanish Capital Companies Act, approved by Royal Legislative Decree 1/2010 of July 2 (the "Capital Companies Act").

Additionally, the modification of the By-laws is governed by the provisions considered in the By-Laws and in the Shareholder General Meeting Regulations of the Company.

In this regard, about its modification, Articles 14. h) of the By-Laws and 6.1 h) of the Shareholder General Meeting Regulations claim that that corresponds to the Shareholder General Meeting of Gamesa.

Likewise, articles 18 of the By-Laws and 26 of the Shareholder General Meeting Regulations include quorum requirements for the adoption of agreements by the Shareholder General Meeting. On the other hand, Articles 26 of By-Laws and 32 of the Shareholder General Meeting Regulations consider the necessary majorities for these effects.

Furthermore, article 31.4 of Shareholder Regulations indicates that the Board of Directors according to what is provided by law will prepare proposals for different resolutions for those matters that are substantially independent, so that shareholders may separately exercise their voting preferences. This rule is particularly applicable in the case of amendments to the By-laws, with votes taken on all articles or groups of articles that are materially independent.

Finally, in accordance with Article 518 of the Spanish Companies Act upon the calling of the General Meeting, at which the amendment of the By-laws will be proposed, the Company's website will include the complete text of the proposed resolution and the reports from the competent bodies.

14. POWERS OF ATTORNEY OF THE MEMBERS OF THE BOARD OF DIRECTORS AND, IN PARTICULAR, THOSE RELATING TO THE POSSIBILITY OF ISSUING OR REPURCHASING SHARES

Power-of-attorney granted to Members of the Board of Directors

The Board of Directors of GAMESA CORPORACIÓN TECNOLÓGICA, S.A., at the meeting held on May 23, 2012, unanimously agreed, following a favourable report by the Appointments and Remuneration Committee to appoint Mr. Ignacio Martín San Vicente as Executive Chairman of the Board of Directors and Managing Director, delegating all powers corresponding to the Board of Directors pursuant to law and to the Corporate By-laws to him, with the exception of those that may not be delegated pursuant to law or to the Corporate By-laws. Mr. Martín San Vicente accepted his appointment at the same act.

Powers relating to the possibility of issuing or repurchasing shares

At the date of the approval of this Report, the authorization granted by the Annual General Meeting held on May 28, 2015 remains in force, pursuant to which the Board of Directors has powers to acquire treasury shares. There follows below a verbatim transcription of the resolution approved by the Meeting under item 9 of the Agenda.

"To expressly authorize the Board of Directors, with express powers of substitution, pursuant to the provisions of article 146 of the Spanish Companies Act, to proceed to the derivative acquisition of shares in Gamesa Corporación Tecnológica, Sociedad Anónima, subject to the following conditions:

a. - Acquisitions may be made directly by Gamesa, or indirectly through its controlled companies.

b.- Acquisitions of shares shall be made through sale and purchase transactions, exchanges, or any other method allowed by law.

c. - Acquisitions may be made, at any time, up to the maximum figure allowed by law.

d. - The minimum price for the shares will be their par value and the maximum price may not exceed 110% of their listed price on the date of acquisition.

e. - The shares acquired may be subsequently disposed of under such conditions as may be freely agreed.

f. - This authorization is granted for a maximum term of 5 years, and expressly renders of no effect the authorization granted by the Company's Annual General Meeting on May 28, 2010, in that part left to run.

g.- As a consequence of shares acquisition, including those that the Company or the person that acts on its self but on behalf of the Company may have acquired priory or have had treasury shares, the resulted equity will not be lower than the amount of the sum of the share capital plus the legal and unavailable statutory reserves, all under what is provided in letter b) of the Article 146.1 of the Spanish Companies Act.

Finally and in relation with the provision of the last paragraph of article 146.1.a) of the Spanish Companies Act, it is stated that the shares acquired pursuant to this authorization may be used by the Directors of the Company, either directly or as a result of the exercise of option rights or any other rights envisaged in the Incentive Plans of which they are the holders and/or beneficiaries pursuant to the provisions laid down by law, the by-laws, or the regulations."

15. SIGNIFICANT AGREEMENTS ENTERED INTO BY THE COMPANY AND WHICH COME INTO FORCE, ARE AMENDED, OR COME TO AN END IN THE EVENT OF A CHANGE OF CONTROL AT THE COMPANY AS A RESULT OF A TAKEOVER BID, AND THE EFFECTS THEREOF, EXCEPT WHERE THE DISCLOSURE THEREOF SHOULD BE SERIOUSLY PREJUDICIAL TO THE COMPANY. THIS EXCEPTION SHALL NOT APPLY WHERE THE COMPANY SHOULD BE UNDER A STATUTORY DUTY TO MAKE THIS INFORMATION PUBLIC.

Pursuant to the framework agreement dated December 21, 2011 (Relevant Event 155308) between IBERDROLA, S.A. and the subsidiary of GAMESA CORPORACIÓN TECNOLÓGICA, S.A., GAMESA EÓLICA, S.L. Unipersonal, in the event of any change in control of GAMESA CORPORACIÓN TECNOLÓGICA, S.A. would allow IBERDROLA, S.A. to terminate the framework agreement without the parties having any claim against such termination.

Also in accordance with the Joint Venture agreement signed as of July 7, 2014 (Relevant Event number 208151) and of March 9, 2015 (Relevant Event number 219885) between AREVA, SA and GAMESA CORPORACIÓN TECNOLÓGICA, SA, among other companies within their respective groups, the eventual change in control of GAMESA CORPORACIÓN TECNOLÓGICA, SA in favor of a competitor would authorize the parties to the AREVA group to terminate the agreement, a situation that could lead to the sale of AREVA's participation held by GAMESA in the Joint Venture or, ultimately, to the dissolution and liquidation of that company Joint Venture.

Finally, on December 17, 2015, Gamesa Energía, S.A.U. (as buyer) and GESTION ELABORACION DE MANUALES INDUSTRIALES INGENIERIA Y SERVICIOS COMPLEMENTARIOS, S.L., INVERSIONES EN CONCESIONES FERROVIARIAS, S.A.U., CAF POWER & AUTOMATION, S.L.U. y FUNDACION TECNALIA RESEARCH & INNOVATION (as sellers) signed a Purchase-sale Agreement of social Shares which is subject to a condition precedent that regulates the acquisition of 50% of NUEVAS ESTRATEGIAS DE MANTENIMIENTO, S.L. (NEM). The Condition Precedent consists of the authorization of the NATIONAL SECURITIES MARKET COMMISSION AND OF THE COMPETITION BOARD determined in the Article 7.1.c) of 15/2007 Law, of July 3, of The Commission of Protection of Competition. On the same date, and with aim of regulating the relations between Gamesa Energía and INVERSIONES EN CONCESIONES FERROVIARIAS, S.A.U. (ICF), as potential partners of NEM (in his case) the parties signed a Partner Agreement. According to the regulations gathered in the Partner Agreement, in the event of a change of control in GAMESA CORPORACIÓN TECNOLÓGICA, S.A., Gamesa Energía, S.A.U. should offer to the rest of partners the direct acquisition of their shares in NEM.

16. ANY AGREEMENTS BETWEEN THE COMPANY AND ITS BOARD MEMBERS OR EMPLOYEES PROVIDING FOR COMPENSATION IF THEY RESIGN OR ARE MADE REDUNDANT WITHOUT VALID REASON OR IF THEIR EMPLOYMENT CEASES BECAUSE OF A TAKEOVER BID.

The Chairman and CEO and some of the members of the executive team at the Company have contractual agreements to receive financial compensation in the event of termination for reasons attributable to the Company and, in some cases, due to the occurrence of objective circumstances, such as a change in control. The financial compensation agreed for such termination consists, in general, of the payment of compensation up to a maximum of two years' salary, depending on personal and professional circumstances and the time at which the agreement was concluded.

In general with regard to non-managerial employees, in the event of the termination of their employment relationship, their contracts do not clearly consider financial compensation other than as required by current legislation.

ANNUAL CORPORATE GOVERNANCE REPORT
OF LISTED COMPANIES

IDENTIFYING DATA OF THE ISSUER

END DATE OF THE REFERENCE YEAR: 12-31-2015

TAX ID NO. A01011253

Company Name:

GAMESA CORPORACIÓN TECNOLÓGICA, S.A.

Business Address:

PARQUE TECNOLÓGICO DE BIZKAIA, EDIFICIO 222, 48170 ZAMUDIO (VIZCAYA)

A STRUCTURE OF THE PROPERTY

A.1 Fill out the following table on the Company's share capital:

Date of last modification	Share capital (€)	Number of shares	Number of voting rights
09-08-2014	47,475,693.79	279,268,787	279,268,787

Indicate whether or not there are different kinds of shares with different associated rights.

Yes ☐ **No X**

Type	Number of shares	Denomination per unit	Unitary number of voting rights	Different rights

A.2 Detailed information of the direct and indirect holders of significant shares, of their company at the year end date, excluding directors:

Shareholder's name or company name	Number of direct voting rights	Indirect voting rights		% of the total voting rights
		Direct shareholder	Number of voting rights	
IBERDROLA, S.A.		IBERDROLA PARTICIPACIONES, S.A. UNIPERSONAL	54.977.288	19,686
BLACKROCK INC.			8.397.066	3,007
FIDELITY INTERNATIONAL LIMITED			3.084.395	1,104

Indicate the most significant changes to the shareholder structure throughout the year:

Shareholder's name or company name	Operation date	Operation description
BT PENSION SCHEME TRUSTEES LIMITED	04/30/2015	Increased its shareholding more than 3% up to 3.069%
BT PENSION SCHEME TRUSTEES LIMITED	07/17/2015	Decreased its shareholding under 3% down to 2.968%
IBERDROLA, S.A.	07/21/2015	Increased its shareholding more than 15% up to 16.686%
BT PENSION SCHEME TRUSTEES LIMITED	08/26/2015	Increased its shareholding more than 3% up to 3.161%

FIDELITY INTERNATIONAL LIMITED	08/28/2015	Increased its shareholding more than 1% up to 1.104%
BLACKROCK INC.	08/28/2015	Decreased its shareholding under 3% down to 2.951%
NORGES BANK	09/24/2015	Decreased its shareholding under 3% down to 2.981%
BLACKROCK INC.	09/30/2015	Increased its shareholding more than 3% up to 3.006%
BLACKROCK INC.	10/01/2015	Decreased its shareholding under 3% down to 2.957%
NORGES BANK	10/08/2015	Increased its shareholding more than 3% up to 3.005%
NORGES BANK	10/09/2015	Decreased its shareholding under 3% down to 2.992%
NORGES BANK	10/15/2015	Increased its shareholding more than 3% up to 3.044%
NORGES BANK	11/12/2015	Decreased its shareholding under 3% down to 2.969%
NORGES BANK	11/20/2015	Increased its shareholding more than 3% up to 3.073%
DIMENSIONAL FUND ADVISORS LP	11/20/2015	Decreased its shareholding under 3% down to 2.985%
BT PENSION SCHEME TRUSTEES LIMITED	11/25/2015	Decreased its shareholding under 3% down to 2.886%
BLACKROCK, INC.	12/17/2015	Increased its shareholding more than 3% up to 3.154%
NORGES BANK	12/22/2015	Decreased its shareholding under 3% down to 2.982%
BLACKROCK INC	12/23/2015	Increased its shareholding more than 3% up to 3.173%

See note (A.2) in Section H of this report.

A.3 Fill out the following tables on the members of the Company's Board of Directors who have rights to vote on the Company's shares:

Director's name or company name	Number of direct voting rights	Indirect voting rights		% of the total voting rights
		Direct shareholder	Number of voting rights	
Arregui Ciarsolo, Juan Luis	0	RETOS OPERATIVOS XXI, S.L.	138,196	0.049 %
Martín San Vicente, Ignacio	1,030		0	0.000 %
Rubio Reinoso, Sonsoles	1,030		0	0.000 %
Lada Díaz, Luis	519		0	0.000 %
Aldecoa Sagastasoloa, José María	500		0	0.000 %
Hernández García, Gloria	400		0	0.000 %
Rodríguez-Quiroga Menéndez, Carlos	315		0	0.000 %
Cendoya Aranzamendi, Andoni	300		0	0.000 %
Aracama Yoldi, José María	207		0	0.000 %
Vázquez Egusquiza, José María	0		0	0.000 %
Góngora Bachiller, Gema	0		0	0.000 %
Villalba Sánchez, Francisco Javier	0		0	0.000 %

Total % of voting rights in the power of the Board of Directors	0.051 %

Fill out the following tables on the members of the Company's Board of Directors who have rights over the Company's shares:

Director's name or company name	Number of direct rights	Indirect rights		Number of equivalent shares	% of the total voting rights
		Direct holder	Number of voting rights		

See note (A.3) in Section H of this report.

A.4 Indicate, where relevant, family, commercial, contractual or corporate relationships between the significant shareholders, as the Company is aware of them, unless they are hardly relevant or derived from normal commercial traffic or activity:

Related name or company name	Type of relationship	Brief description

A.5 Indicate, where relevant, family, commercial, contractual or corporate relationships between the significant shareholders and the Company and/or its group unless they are hardly relevant or derived from normal commercial traffic or activity:

Related name or company name	Type of relationship	Brief description
IBERDROLA, S.A.	CONTRACTUAL	SEE SECTION D.2.

A.6 Indicate whether or not the Company has been notified of shareholders' agreements which affect it according to the provisions in Articles 530 and 531 of the Capital Companies Law. Where applicable, describe them briefly and list the shareholders bound by the agreement:

Yes ☐ **No X**

Members of the shareholder's agreement	% of affected share capital	Brief description of the agreement

Indicate whether or not the Company is aware of the existence of shares agreed on between its shareholders. Where applicable, describe them briefly:

Yes ☐ **No X**

Members of the agreed on share	% of affected share capital	Brief description of the agreement

If, throughout the year, there was an amendment to or termination of these agreements or agreed on shares, indicate this expressly:

A.7 Indicate whether or not there is a natural or legal person who exercises or may exercise control over the Company according to Article 5 of the Securities Market Law. Where applicable, identify it:

Yes ☐ **No X**

Name or company name

Observations

A.8 Fill out the following tables on the Company's treasury shares:

At the year end date:

Number of direct shares	Number of indirect shares (*)	Total % of share capital
3,116,702	0	1.116

(*) Using the:

Direct shareholder's name or company name	Number of direct shares
Total:	

Explain the significant variations, in accordance with the provisions in Royal Decree 1362/2007, occurring throughout the year:

Explain the significant variations
Pursuant to article 40 of *Royal Decree 1362/2007 of 19 October, implementing the Spanish Securities Market Act (Law 24/1988 of 28 July), regarding the transparency requirements in relation to information about issuers whose securities are admitted to trading on an official secondary market or other regulated market in the European Union*, these issuers must inform the National Securities Market Commission (CNMV) of the proportion of voting rights held when, from the last treasury stock acquisition announcement, they acquire their own shares amounting to at least 1% of the voting rights via a single transaction or successive transactions.

In this regard, during 2015 GAMESA CORPORACIÓN TECNOLÓGICA, S.A. (hereinafter referred to as "Gamesa" or the "Company" and the group of companies of which Gamesa is the parent company, the "Gamesa Group" or simply the "Group") made twelve announcements of direct acquisitions of treasury stock, since all of them exceeded the 1% threshold of the voting rights since the previous similar announcement. The announcements made are detailed below:

- Announcement date: 7 January 2015, with a total number of directly acquired shares of 2,866,068, thus a capital share total of 1.03%.
- Announcement date: 4 February 2015, with a total number of directly acquired shares of 2,988,202, thus a capital share total of 1.07%.
- Announcement date: 9 March 2015, with a total number of directly acquired shares of 3,084,560, thus a capital share total of 1.10%.
- Announcement date: 13 April 2015, with a total number of directly acquired shares of 2,890,915, thus a capital share total of 1.04%.
- Announcement date: 11 May 2015, with a total number of directly acquired shares of 2,829,538, thus a capital share total of 1.01%.
- Announcement date: 9 June 2015, with a total number of directly acquired shares of 2,858,511, thus a capital share total of 1.02%.
- Announcement date: 7 July 2015, with a total number of directly acquired shares of 2,975,607, thus a capital share total of 1.07%.
- Announcement date: 12 August 2015, with a total number of directly acquired shares of 3,176,512, thus a capital share total of 1.14%.
- Announcement date: 8 September 2015, with a total number of directly acquired shares of 2,810,019, thus a capital share total of 1.01%.
- Announcement date: 13 October 2015, with a total number of directly acquired shares of 2,863,809, thus a capital share total of 1.03%.
- Announcement date: 12 November 2015, with a total number of directly acquired shares of 2,910,224, thus a capital share total of 1.04%.
- Announcement date: 29 December 2015, with a total number of directly acquired shares of 2,809,212, thus a capital share total of 1.01%.

See note (A.8) in Section H of this report.

A.9 Provide detailed information on the terms and conditions and period of the current mandate from the Shareholders' Meeting to the Board of Directors to issue, repurchase or transfer own shares.

On this report's approval date, the authorization given by the Ordinary General Meeting of the Company's Shareholders held on May 8, 2015, by virtue of which the Board of Directors was authorized to acquire own shares. The content of the agreement adopted at the referred to Meeting in point nine of the agenda is transcribed below:

"To expressly authorise the Board of Directors, with the express powers of substitution, as per the dispositions in article 146 of the Companies Law for the derivate acquisition of the Gamesa Corporación Tecnológica, Sociedad Anómina's ("Gamesa" or the "Company") own shares in the following terms:

a.- The acquisitions may be made by Gamesa or by any of its depending companies in the same terms of this agreement.
b.- The share acquisitions will be made through sales, swaption or any other legally permitted operations.
c.- The acquisitions may be made, at each time, up to the legally allowed maximum figure.
d.- The minimum share price will be their nominal value and the maximum will not be 110% above their market quotation value on the date of acquisition.
e.- The shares acquired may subsequently be transferred in freely decided conditions.
f.- 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 28, 2010.
g.- The shareholders' equity resulting from the acquisition of shares, including those that the Company or the person acting in their own name but for the account of the Company has previously acquired and holds as treasury shares, shall not be less than the amount of share capital plus the reserves that are restricted under the law or the By-Laws, all pursuant to the provisions of letter b) of section 146.1 of the Companies Law.

Lastly, and in relation to the dispositions in article 146.1.a) last paragraph of the Companies Law, 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."

A.9 bis Estimated free float:

	%
Estimated free float	75.04

A.10 Indicate whether or not there is a restriction on the transfer of securities and/or any restriction on the right to vote. Specifically, notify the existence of any other kind of restrictions which may make it hard to take control of the Company by acquiring its shares in the market.

Yes ☐ **No X**

Description of the restrictions

A.11 Indicate whether or not the general meeting has agreed on adopting neutralization measures regarding a public acquisition offer pursuant to the provisions in Law 6/2007.

Yes ☐ **No X**

Where applicable, explain the approved measures and the terms and conditions in which the restrictions will not be effective:

A.12 Indicate whether or not the Company has issued securities that are not traded in a regulated community market.

Yes ☐ **No X**

Where applicable, indicate the different kinds of shares and, for each kind of share, the conferred rights and obligations.

B GENERAL MEETING

B.1 Indicate and, where applicable, detail if there are differences between the minimum quorum given in the Capital Companies Law (LSC) regarding the quorum required to hold the general meeting.

Yes ☐ **No X**

	% of quorum different from the provisions in Art. 193 LSC for general circumstances	% of quorum different from the provisions in Art. 194 LSC for special circumstances in Art. 194 LSC
Required quorum in the 1st call		
Required quorum in the 2nd call		

Description of the differences

B.2 Indicate and, where applicable, detail if there are differences between the quorum given in the Capital Companies Law (LSC) for entering into social agreements:

Yes ☐ **No X**

Describe how it differs from the minimum quorum given in the LSC.

	Enhanced majority different from the one established in Article 201.2 of the LSC for the circumstances in 194.1 of the LSC.	Other enhanced majority circumstances
% established by the entity for adopting agreements		
Describe the differences		

B.3 Indicate the standards applicable to amending the Company's bylaws. Specifically, the majorities laid down for amending the bylaws will be communicated as well as, where applicable, the set standards for enforcing the rights of partners when amending the bylaws.

The amendment of the Gamesa Bylaws is governed by articles 285 through 290 of the Corporate Enterprises Act approved by Royal Legislative Decree 1/2010 of 2 July (the "Corporate Enterprises Act").

Additionally, the amendment of the Gamesa Bylaws is governed as stipulated in the Company's own Bylaws and the Regulations of the Company's General Shareholders Meeting.

In this regard, regarding to the capacity for amendment, articles 14 h) of the bylaws and 6.1 h) of the Regulations of the General Shareholders Meeting state that this capacity pertains to the Gamesa General Shareholders Meeting.

Articles 18 h) of the Bylaws and 26 of the Regulations of the General Shareholders Meeting include the quorum requirements for adopting decisions by the General Shareholders Meeting. Articles 26 of the Bylaws and 32 of the Regulations of the General Shareholders Meeting stipulate the majorities necessary to do so.

Article 31.4 of the Regulations of the General Shareholders Meeting states that the Board of Directors, in accordance with the law, will form proposals for different agreements regarding matters that are substantially independent so the shareholders may separately exercise their vote preferences. Specifically, this rule will be applied in the case of amendments to the bylaws, to each article or a group of articles which are substantially independent.

Finally, in accordance with article 518 of the Corporate Enterprises Act, with the notice convening the General Shareholders Meeting in which a proposal is made to amend the Bylaws, the Company's website will post the complete text of the agreement proposals on the items in the agenda proposing said amendment, and the reports from the competent bodies in relation thereto.

B.4 Indicate the data regarding attendance at the general meetings held throughout the year referred to in this report and those of the previous year:

	Attendance data				
General meeting date	**% physical presence**	**% represented**	**% distance voting**		**Total**
			Electronic vote	**Others**	
05-08-2015	24.37	34.51	0.00	0.00	58.88
05-28-2014	22.73	26.49	0.00	0.00	49.22

See note (B.4) in Section H of this report.

B.5 Indicate if there is a restriction in the by-laws which establishes a minimum number of required shares to attend the general meeting:

Yes ☐ **No X**

Number of required shares to attend the general meeting	1

B.6 Repealed paragraph.

B.7 Indicate the address and mode of access to the Company's website and to the information on corporate governance and other information on the general meetings which should be available to the shareholders through the company's website.

The Bylaws of GAMESA CORPORACIÓN TECNOLÓGICA, S.A. rule in its article 48 the Webpage of the company according to the current legislation.

The obligatory content which must be published according to Law 24/1988, dated July 28, on the Securities Market ("Securities Market Law"), and by the Capital Companies Law, developed by Order ECC/461/2013, dated March 20, by which the content and structure of the annual corporate governance report, the annual report on remunerations and other informative instruments of the listed companies, of savings accounts and other entities that issue securities traded in official securities markets are determined, and completed by Circular 3/2015, dated June 23, of the Comisión Nacional del Mercado de Valores (National Securities Exchange Commission), on the technical and legal specifications that the webpage of the issued companies and the saving accounts that issue securities admitted in the official secondary securities markets must include, are directly accessible at http://www.gamesacorp.com/en/investors-and-shareholders/.

The Company's website does not only contain the information required by the legislation (Securities Market Law, Capital Companies Law, Order ECC/461/2013, dated March 20, and Circular 3/2015, dated June 23) but also a large quantity of information of interest for shareholders and investors and news referring to the company's activity.

Limiting ourselves to the mandatory content, we have aimed for the viewers of it, shareholders and investors, to be able to simply access the information which, in accordance with the legislation of the Securities Market Law, has to be accessible and mainly that this information is continuously updated.

Regarding accessibility of the mandatory content, it must be noted that access to it is shown on the home page of the website under the title "Shareholders and Investors". Within this title, there is an index that includes content which, in accordance with the aforementioned Circular 3/2015 and Order ECC/461/2013, have to be included on the listed companies' websites. Likewise, it is noted that the mentioned index is also directly available from the home page of the website, being able to access one of its already, individually broken down sections.

As in the previous seven years, it is worth noting that the Company has finished in 2015 (in compliance with the internal regulation on maintenance and updating the corporate website, currently under revision), the monthly revision of the mandatory content, proceeding, where necessary, to updating it in the maximum period of twenty days.

C THE COMPANY'S ADMINISTRATION STRUCTURE

C.1 Board of Directors

C.1.1 Maximum and minimum number of directors established in the by-laws:

Maximum number of directors	15
Minimum number of directors	5

C.1.2 Fill out the table below with the board members:

Director's name or company name	Representative	Directors's category	Position on the board	Date of first appointment	Date of last appointment	Election procedure
Martín San Vicente, Ignacio		Executive	Chairman and CEO	05-23-2012	06-29-2012	General Meeting
Arregui Ciarsolo, Juan Luis		Independent	Vice Chairman	01-28-1976	04-19-2013	General Meeting
Rodríguez-Quiroga Menéndez, Carlos		Executive	Director and Secretary	09-27-2001	04-19-2013	General Meeting
Vázquez Egusquiza, José María		Independent	Director	05-25-2007	04-19-2013	General Meeting
Lada Díaz, Luis		Independent	Director	10-23-2009	04-19-2013	General Meeting
Aracama Yoldi, José María		Independent	Director	03-08-2011	04-19-2013	General Meeting
Rubio Reinoso, Sonsoles		External Proprietary	Director	12-14-2011	06-29-2012	General Meeting
Aldecoa Sagastasoloa, José María		Independent	Director	07-25-2012	04-19-2013	General Meeting
Villalba Sánchez, Franciscp Javier		External Proprietary	Director	02-25-2015	05-08-2015	General Meeting
Hernández García, Gloria		Independent	Director	05-08-2015	05-08-2015	General Meeting
Cendoya Aranzamendi, Andoni		Independent	Director	05-08-2015	05-08-2015	General Meeting
Góngora Bachiller, Gema		External Proprietary	Director	05-27-2015	05-27-2015	Board of Directors Cooption

Total number of directors	12

Indicate any resignations in the Board of Directors during the period subject to information:

Director's name or company name	Condition of the director at the time of resignation	Leave date
Moreu Munaiz, Manuel	Independent	02-17-2015
Castresana Sánchez, Ramón	External Proprietary	05-27-2015

See note (C.1.2) in Section H of this report.

C.1.3 Fill out the following tables on the board members and their different conditions:

EXECUTIVE DIRECTORS

Director's name or company name	Position in the company's organizational chart
Martín San Vicente, Ignacio	Chairman and CEO
Rodríguez-Quiroga Menéndez, Carlos	Director-Secretary of the Board of Directors and Legal Counsel

Total number of executive directors	2
% of the total of the board	16,67

EXTERNAL PROPRIETARY DIRECTORS

Director's name or company name	Name or company name of the significant shareholder acting as representative or who approved his/her appointment
Rubio Reinoso, Sonsoles	IBERDROLA, S.A.
Villalba Sánchez, Francisco Javier	IBERDROLA, S.A.
Góngora Bachiller, Gema	IBERDROLA, S.A.

Total number of proprietary directors	3
% of the total of the board	25

INDEPENDENT EXTERNAL DIRECTORS

Director's name or company name	Profile
Aracama Yoldi, José María	He was born in Pamplona (Navarra). He currently holds the position of Member of the Board of Directors of GAMESA CORPORACIÓN TECNOLÓGICA, S.A., of its Audit and Compliance Committee and of its Appointments Committee.

	He holds a Degree in Industry Engineering in the San Sebastian faculty (TECNUN) from the University of Navarra with a specialization in "Industrial Organization". He completed his studies with a Master in Business Administration (MBA) in the IESE in Barcelona (University of Navarra). Throughout his professional career he held different posts in the private and public sector. He was Financial Director and in charge of the registered office in Navarra of "Cementos Portland, S.A." (1979-1996), Economy and Tax Counsel in the Navarra Government (1996-1999), Director in Pamplona of the group "Cementos Portland Valderrivas" (1999-2001), General Director of SODENA (Sociedad de Desarrollo de Navarra, S.A.) (2001-2011) and Enclosure to the Presidency of the group "Cementos Portland Valderrivas" (2011-2013). In parallel to his professional activity and representing the Government of Navarra, Caja Navarra, SODENA or the group Cementos Portland Valderrivas, he was member of the Board of Directors of several companies, among others, SOFOENSA (Sociedad de Fomento Energético, S.A.), EHN (Energía Hidroeléctrica de Navarra, S.A.), Electra de Zudaire, S.A., Caja de Ahorros de Navarra, Sociedad de Desarrollo de Navarra, S.A., Redes de Telecomunicaciones de Navarra, S.A., Mutua Navarra, Cementos Alfa, S.A., Cementos Lemona, S.A., Uniland Cementera, S.A., Oficemen, Cembureau, Committee of the Regions of the European Parliament, Consejo Económico y Social de Navarra, Fundación Jorge Oteiza and Fundación Baluarte. Likewise and as independent Director or representing himself he was member of the Board of Directors of, among others, CEASA (Compañía Eólica Aragonesa, S.A.), Chairman of the Colegio de Ingenieros Industriales de Navarra, Chairman of the Agrupación Territorial de Navarra, País Vaco y La Rioja of the IESE, member of TEMIS (group of applied investigation specialized in business processes), Teacher of Finance in the Executive Master of Companies Management of the Foro Europeo (Escuela de Negocios, Pamplona).

	Currently, he is member of the Board of Consultora Altair, founding partner of the Technological Consultancy Tangle Research, S.L., member of the Social Board of the Universidad Pública de Navarra, of the Strategic Board of CEIT (Centro de Estudios e Investigaciones Técnicas), of the Junta Rectora de APD (Asociación para el Progreso de la Dirección) and of the Junta of Fundación Proyecto Hombre de Pamplona.
Lada Díaz, Luis	He was born in Mieres (Asturias). He currently holds the position of Member of the Board of GAMESA CORPORACIÓN TECNOLÓGICA, S.A. and Member of the Executive Committee. 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. After a short period in the Superior Board of Scientific Investigations (Consejo Superior de Investigaciones Cientificas) he joined, in 1973, the Center of Investigations and Studies of Telefonica, 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 España. 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.

	Currently, he is non-executive Chairman of Grupo Segur, member of the Board of Directors of Indra Sistemas and member of its Strategy Committee, Administrator of Ribafuerte, S.L. and Chairman of Perlora Inversiones. He is also member of the Counsel Board of ASSIA Inc., of the Círculo de Empresarios and of the Consejo del Colegio de Ingenieros de Telecomunicación. 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.
Aldecoa Sagastasoloa, José María	Born in Zaldibar (Vizcaya), he holds the position of member of the Board of Directors and of the Executive Committee, and Coordinating Director of GAMESA CORPORACIÓN TECNOLÓGICA, S.A. Holds a Degree in Electronic Technical Engineering by the University of Mondragón and PADE (Programa de Alta Dirección de Empresas) by the IESE. Along his professional career he has hold different posts in the private sector, like diverse Technical and Management in COPRECI (1971-1982), the post of Management Director of FAGOR ELECTRÓNICA and he was also member of the Management Counsel of Fagor, S. Coop. (1982-1991). Between 1984 and 1991 he was Deputy Chairman of ANIEL (Asociación Nacional de Industrias Electrónicas) and Chairman of the Board of Components. Likewise his post as member of the Management Board of the European Association of electronic components (EECA) between 1986 and 1991 shall be pointed out. From 1992 until 2012 his professional career was developed in MONDRAGON CORPORACION holding diverse posts like Deputy Chairman (1992-2006), General Director of the Components Division (1992-1999), Chairman of the Congress and of its Permanent Committee (1994-1995), General Director of the Automotive Division (1999-2006), and he was also member of the General Board (1992-2006). In 2007 he was

	appointed Chairman of the General Board, post he held until July 2012. He was also Chairman of the Engineering School of the Univeristy of Mondragón (1998-2002). He also held the post of member of the Board of Directors of diverse companies of components and the automotive sector (Copreci-Chequia, Copreci-Mexico, Vitorio Luzuriaga, Fagor Ederlan-Brasil, Paranoa-Cicautxo-Brasil, FPK, Fagor Ederlan-Eslovaquia), and the post of member (1992-2006) and Chairman (2007-2012) of MONDRAGON INVERSIONES. Currently he holds the position of external independent Director in VISCOFAN, S.A. and member of its Audit Committee.
Arregui Ciarsolo, Juan Luis	Born in Mallavia (Vizcaya). He is currently Deputy Chairman of the Board of Directors, member of the Executive Committee and member of the Remunerations 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 ENCE Energía y Celulosa, 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, Chairman of Corporation Eólica Cesa, S.L., Co-Chairman of Grupo Guascor and member of Gestora de Proyectos y Contratos, S.A., of which he was co-founder.

Vázquez Egusquiza, José María	He was born in Bilbao (Vizcaya). He currently holds the position of Member of the Board of Directors and Member of the Audit and Compliance Committee of GAMESA CORPORACIÓN TECNOLÓGICA, S.A. 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. His professional career has been developed mainly in the metallurgic sector. He started at Babcock & 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. He is currently, among others, Chairman of the Board of Directors of GIROA (Grupo Veolia), 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). 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. He has developed an intensive educational and disclosed work.
Hernández García, Gloria	Born in Madrid, she holds the position of Member of the Board of Directors of GAMESA CORPORACIÓN TECNOLÓGICA, S.A. and Chairman of its Audit and Compliance Committee.

	She studied at the Complutense University of Madrid, where she obtained a degree in Economic Sciences with a specialty in Economic Theory. She is currently the General Director of Finance and Capital Markets of Bankinter, S.A., manager of the treasury of the company, of balance sheet risk management, of solvency and calculation, and of the management of the resources of the Bankinter Group, as well as responsible for the budget control and the efficiency, the investors relations, accountancy policies and the financial control, the accounts and the financial information of the Bankinter group and the coordination of the relationship of the entity with the ECB. She is member of the Management Committee of Bankinter, S.A., Director as representative of Bankinter in Linea Directa Aseguradora, S.A:, Bankinter Gestión de Activos SGIIC, Bankinter Luxembourg, S.A. And Chairman of Bankinter Securities, S.A. Before joining Bankinter, S.A., she served for over seven years as the Financial Director of Banco Pastor, S.A. Doña Gloria Hernández García is Commercial Technician and State Economist on personal leave, and as such she worked until 2003 in different public posts connected to the Directorate General of the Treasury and Financial Policy, where she also held the position of General Manager of the Treasury. She also was nata Director of the CNMV and the Bank of Spain. At last, she has had significant international experience by being, among others, a representative member of Spain on Committees of the European Union and Director of the subsidiary of Bankinter in Luxembourg.
Cendoya Aranzamendi, Andoni	Born in in Deba (Gipuzkoa), he holds the position of Member of the Board of Directors of GAMESA CORPORACIÓN TECNOLÓGICA, S.A. and Chairman of the Appointments Committee and of the Remunerations Committee.

	He holds a Master's in Electrical Engineering from the Escuela de Armería in Eibar, and a Master's in Human Resources from CEREM. Andoni Cendoya Aranzamendi has broad experience in the industrial sector, having undertaken the majority of his career in a leading group of the aeronautical sector (the ITP Group). He also adds to his sectoral knowledge with experience in other sectors, with his role in the negotiation of restructuring the naval sector and the renewal of the bank agreement, both in the Basque Country, being particularly outstanding. He has experience in the senior management of international companies, acquired during his time as the Executive Director of Human Resources of the ITP Group, where he was also a member of the Management Committee of the Group. He also has experience in the management of international companies, as he was part of the management team of ITP's subsidiaries in England and Mexico. Specifically, he started up the operations of the latter.

Total number of independent directors	7
Total % of the board	58,33

Indicate if any director qualified as independent receives from the Company, or from its same Group, any amount or benefit for an item other than remuneration as director or maintains or has maintained, throughout the past year, a business relationship with the Company or any other company of its Group, whether in his/her name or as a significant shareholder, director or senior manager of an entity which maintains or would have maintained this relationship.

Where applicable, a reasoned statement from the Board on the reasons why it considers this director can perform its duties as an independent director shall be included.

Director's name or company name	Relationship description	Reasoned statement

OTHER EXTERNAL DIRECTORS

Other external directors will be identified and the reasons because they cannot be considered external proprietaries or independents and its entails, with the company, its managers, or its shareholders, will be detailed:

Director's name or company name	Reasons	Company, manager or shareholder with whom the entail is maintained

Total number of other external directors	0
Total % of the board	0

Indicate the variations which, where applicable, have occurred during the period in each director category:

Director's name or company name	Date of the change	Previous category	Current category

See note (C.1.3) in Section H of this report.

C.1.4 Fill out the following table with the information related to the number of female board members at the closing of the last 4 years, as well as the category of each one:

	Number of female board members				% of the total directors of each category			
	Year t	Year t-1	Year t-2	Year t-3	Year t	Year t-1	Year t-2	Year t-3
Executive	0	0	0	0	0%	0%	0%	0%
Proprietary	2	1	1	1	66.67%	50%	50%	50%
Independent	1	0	0	0	14.29%	0%	0%	0%
Other External	0	0	0	1	0%	0%	0%	100%
Total:	3	1	1	2	25%	10%	10%	20%

C.1.5 Explain the measures that, where applicable, were adopted to include a number of women on the Board of Directors which permits reaching a balanced presence of men and women.

Explanation of the measures
The erstwhile Appointments and Remuneration Committee, and now the Appointments Committee (since 16 December 2015, and as a result of the splitting of this committee into two separate ones), actively seeks, either directly or with external advice from outsourced companies, to include candidates in the different Director selection processes in adherence to the guidelines included in the "Director Selection Policy" approved by the Board of Directors on 23 September 2015. During 2015, two new directors were appointed, namely Gloria Hernández and Gema Góngora. Thus, women currently make up 25% of the Board of Directors. These appointments bring the Company a step closer to reaching the target of 30% women directors on the Board of Directors by 2020, as included in the cited Policy [section 4.c)] and in Recommendation number 14 of the Code of Good Governance for listed entities approved by the National Securities Market Commission on 18 February 2015. Likewise, article 7.5 of the Regulations of the Appointments Committee contemplates that the duties of the Committee include "*establishing a representation target for the gender least represented in the Board of Directors and drawing up various guidelines on how to reach them.*"

C.1.6 Explain the measures that, where applicable, the Appointment Committee agreed on so the selection procedures do not suffer from any implicit discriminatory bias which interfere with selecting female directors, and that the Company deliberately seeks and includes among the potential candidates, women who meet the sought after professional profile:

Explanation of the measures
The Appointments Committee, in application of Article 14 of the Regulations of the Board of Directors, has established that director selection criteria shall entail reputation/credibility, solvency, competence and experience, procuring that female candidates meeting this profile are selected in this selection process. Additionally, article 7.4 of the Regulations of the Appointments Committee stipulates a further duty of the Committee, namely *"guaranteeing that the selection procedures are safeguarded from any implicit bias that could entail discrimination"* (this duty of the Appointments Committee was also contemplated in the repealed Regulations of the Appointments and Remuneration Committee under article 8.4).

Section 4 c) of the "Director Selection Policy" approved by the Board of Directors on 23 September 2015 likewise states that *"the selection of directors must be safeguarded from any implicit bias that could entail discrimination of any sort and, in particular, interfere in the selection of female directors".*

When, despite the measures adopted, where applicable, the number of female board members is little or null, explain the reasons which justify this:

Explanation of the reasons
N/A

C.1.6 bis Explain the conclusions of the Appointments Committee regarding the verification of compliance with the director selection policy. And, in particular, how this policy is promoting attainment of the target to have the number of female directors represent at least 30% of the total members of the board of directors by the year 2020.

The Appointments Committee arrived at the following conclusions in 2015 insofar as verification of compliance with the Director Selection Policy:

- The Company applied and observed Gamesa's internal rules and regulations and good governance recommendations in its Director selection and appointment processes.

- These rules, principles and recommendations were precisely reflected in the "Director Selection Policy" approved by the Board of Directors in its session held on 23 September 2015.

- The Company shall continue applying and deepening the principles contained in the "Director Selection Policy" for future selection processes and promote the selection of directors with independent profiles having international professional experience, specialized and solvent in the business areas of Gamesa.

- The Company shall seek to comply with the objective to have women represent at least 30% of the Board of Directors by actively seeking such profiles as vacancies arise.

C.1.7 Explain the form of representation on the Board of shareholders with significant shareholdings.

Shareholders holding significant stock are represented on the Board of Directors as Non-Executive Proprietary Directors. According to article 11 of the Regulations of the Board of Directors of GAMESA CORPORACIÓN TECNOLÓGICA, S.A., directors are categorized into *"(a) executive directors; and (b) non-executive directors. Non-executive Directors may also be Independent, Proprietary or other External Directors.*

The status of each Director will be determined in accordance with legal provisions and must be explained by the Board of Directors before the General Shareholders Meeting that will carry out or approve their appointment and confirm or, where applicable, revise it annually in the Annual Corporate Governance Report after being verified by the Appointments and Remuneration Committee."

Moreover, it should be mentioned that article 9.4 of the Regulations of the Board of Directors states that "*the Board of Directors shall ensure that proprietary and independent directors are integrated in the majority group of non-executive directors, maintaining a balance regarding the complexity of the Group, the ownership structure of the company, the absolute and relative importance of significant shares, as well as the degree of continuity, commitment and strategic links with the holders of these stocks in the company."*

Further, article 13.4 of the cited Regulations of the Board of Directors establishes that "*the provisions set forth in this chapter shall be binding notwithstanding the full freedom of the General Shareholders Meeting to decide on the appointment of directors."*

Currently, Sonsoles Rubio Renosa is an external proprietary female director, appointed on 14 December 2011 by motion of Iberdrola, S.A. and last re-elected at the General Shareholder Meeting on 29 June 2012.

Francisco Javier Villalba Sánchez is an external proprietary director, appointed on 25 February 2015 by motion of Iberdrola, S.A. and last re-elected at the General Shareholders Meeting on 8 May 2015.

Gema Góngora Bachiller is an external proprietary female director, appointed on 25 May 2015 by motion of Iberdrola, S.A. and her appointment will undergo ratification procedure at the next General Shareholders Meeting.

See note (C.1.7) in Section H of this report.

C.1.8 Explain, where applicable, the reasons for which the proprietary directors were appointed by the motion of shareholders whose shares are less than 3% of the capital:

Shareholder's name or company name	Reason

Indicate whether or not formal requests for presence on the Board from shareholders whose shares are equal to or greater than that of others whose motion would have designated proprietary directors were taken into account. Where applicable, explain the reasons why they were not taken into account:

Yes ☐ **No X**

Shareholder's name or company name	Explanation

C.1.9 Indicate if any director has resigned from his/her position before the end of his/her term, if said director explained his/her reasons and how, to the Board of Directors, and, if done in writing, at least explain the reasons given below:

Director name	Reason for resignation
Moreu Munaiz, Manuel	Personal reasons
Castresana Sánchez, Ramón	Personal reasons

C.1.10 Indicate, if they exist, the powers delegated to him/her or the executive director/s:

Director's name or company name	Brief description
Martín San Vicente, Ignacio	The Board of Directors of GAMESA CORPORACIÓN TECNOLÓGICA, S.A., in its meeting on May 23, 2012, unanimously agreed, after a favorable report from the Appointment and Remuneration Committee, to appoint as Executive Director, Chairman and CEO of the Company, Mr. Ignacio Martín San Vicente, delegating all powers to him which, according to the law and the by-laws correspond to the Board of Directors, except those which cannot be delegated by the law and by-laws, an appointment which was accepted by Mr. Martín San Vicente in the same act.

C.1.11 Identify, where applicable, the board members who assume positions as administrators or managers in other companies which are part of the listed company's group:

Director's name or company name	Company name of the entity in the group	Position	Has executive functions?

C.1.12 Detail, where applicable, the directors of its company which are members of the Board of Directors of other listed entities in official security markets different from its group, which the Company has been notified of:

Director's name or company name	Company name of the listed entity	Position
Arregui Ciarsolo, Juan Luis	ENCE ENERGÍA AND CELULOSA, S.A.	Chairman
	CARTERA INDUSTRIAL REA, S.A.	Vice Chairman 1º
Lada Díaz, Luis	INDRA SISTEMAS, S.A.	Director
Aldecoa Sagastasoloa, José María	VISCOFAN, S.A.	Director

C.1.13 Indicate and, where applicable, explain whether or not the Board of Directors' Regulations has established rules on the maximum number of companies' boards its directors may be a part of:

Yes X **No**

Explanation of the rules
Article 10 of the Board of Director's Regulations establishes rules on the maximum number of companies' boards its directors may be a part of: "***Article 10. Incompatibilities for becoming a Director*** *The following individuals cannot be Directors or, where applicable, natural person representatives of a Legal Entity Director:* *(..)* *b) Any individual acting in the position of administrator of three or more companies whose shares are traded in domestic or foreign securities markets.* *(...)"*

C.1.14 Repealed paragraph.

C.1.15 Indicate the overall remuneration of the Board of Directors:

Remuneration of the Board of Directors (thousands of euros)	4,492
Amount of the rights accumulated by the current directors regarding pensions (thousands of euros)	850
Amount of the rights accumulated by the former directors regarding pensions (thousands of euros)	0

See note (C.1.15) in Section H of this report.

C.1.16 Identify the members of Senior Management who are not also executive directors, and indicate the total accrued remuneration in their favor throughout the year:

Name or company name	Position(s)
Etxeberría Muguruza, Xabier	Executive General Director
Cortajarena Manchado, José Antonio	General Corporate Director and General Secretary
Artazcoz Barrnea, Ignacio	Financial General Director
Mesonero Molina, David	Business Development Director
Zarza Yabar, Félix	Internal Audit Director

Total remuneration for Senior Management (in thousands of euros)	7,666

See note (C.1.16) in Section H of this report.

C.1.17 Indicate, where applicable, the identity of the board members which, at the same time, are members of the Board of Directors of other significant shareholder companies and/or entities of its group:

Related board member's name or company name	Related, significant shareholder's name or company name	Relationship description
Villalba Sánchez, Francisco Javier	Elektro Electricidade e Serviços, S.A.	Director Chairman
	Iberdrola USA Networks, Inc.	Director Chairman
	Iberdrola Distribución Eléctrica, S.A.	Director Chairman
	Scottish Power Energy Networks Holdings Ltd.	Director Chairman

Detail, where relevant, the relevant relationships different from those in the previous paragraph, of the members of the Board of Directors which relate them to other significant shareholders and/or in entities of its group:

Related board member's name or company name	**Related, significant shareholder's name or company name**	**Relationship description**
Rubio Reinoso, Sonsoles	IBERDROLA, S.A.	Compliance Director
Villalba Sánchez, Francisco Javier	IBERDROLA, S.A.	General Director of Networking Business of the Iberdrola group
Góngora Bachiller, Gema	IBERDROLA, S.A.	Director of Development and Executive Management

See note (C.1.17) in Section H of this report.

C.1.18 Indicate if any amendment was made to the Board's regulations during the year:

Yes X **No**

Amendment description
The Board of Directors approved the amendment to the Regulations of the Board of Directors during its session on 24 March 2015. The Regulations of the Board of Directors was amended to adapt its content to the developments incorporated in the Corporate Enterprises Act by Law 31/2014 of 3 December, which amended the Corporate Enterprises Act for improving corporate governance in accordance with the statutory modifications and the Regulations of the General Shareholders Meeting that had been proposed for submission to the General Shareholders Meeting, and for incorporating further wording and technical improvements, simplifying its content and the wording of some of its articles. Likewise, the reform to the Regulations of the Board of Directors sought to incorporate further improvements in corporate governance entailing the most recent and generally accepted recommendations throughout international markets In particular for this last point, the following improvements are particularly salient: a) The revision of the capacities of Gamesa's Board of Directors for reflecting the nature of its functions as a collegial management body of a company that primarily undertakes duties as a *holding*.

b) The development of the counterweights contemplated in the Corporate Governance Standards of the Company regarding the powers of the delegated bodies, expanding the capacities of the Coordinating Director in line with the recommendations of the Code of Good Governance for listed companies.

c) The shoring up of Gamesa's relationships with the company and its corporate social responsibility.

This reform thus concludes the adaptation of the Gamesa Corporate Governance Standards to the pertinent legislation in force.

C.1.19 Indicate the selection, appointment, re-election, evaluation and resignation of board members procedures. Detail the competent bodies, processes to be followed and the criteria to be used in each procedure.

Selection and appointment procedure:

Article 30 of the Gamesa Bylaws states that the members of the Board of Directors are "appointed or ratified by the General Shareholders Meeting" with the provision that "if during the period for which they were appointed, the board members leave their positions, the Board of Directors may designate, from among the other shareholders, individuals who should occupy them until the next General Shareholders Meeting", always in accordance with the provisions contained in the applicable Corporate Enterprises Act and Company Bylaws.

Moreover, in accordance with article 13.2 of the Regulations of the Board of Directors, proposals for appointing directors submitted by the Board of Directors to the General Shareholders Meeting for consideration and the appointment decisions adopted following the co-option procedure must be preceded by: (a) for Independent Directors, a proposal from the Appointments Committee; and (b) in other cases, a report from the cited committee. In this regard, article 13.3 of the cited regulations states that when the Board of Directors declines the proposal or the report from the Appointments Committee mentioned in the above section, it must justify doing so and include a record of it in the minutes.

Further, article 13.4 of the cited Regulations of the Board of Directors states that "the provisions set forth in this chapter shall be binding notwithstanding the full freedom of the General Shareholders Meeting to decide on the appointment of directors."

Finally, article 14 of the cited regulations states that the Board of Directors and Appointments Committee, shall make an effort, within the sphere of their competencies, to ensure that the proposal and election of candidates falls on individuals of renowned reputation, solvency, competence and experience, adding that "for legal entity directors, the natural person representing it in the performance of the duties related to the position will be subject to the conditions included in the previous paragraph".

Re-election procedure:

Article 15 of the Regulations of the Board of Directors addresses the re-election of directors in that proposals for re-electing directors submitted by the Board of Directors to the General Shareholders Meeting must be accompanied by the corresponding substantiating report as established by law. The resolution of the Board of Directors to submit the re-election of Independent Directors to the General Shareholders Meeting must be adopted upon proposal of the Appointments Committee, while the re-election of other Directors must have a prior favorable report from this committee.

In this regard, section 2 of the cited article adds that directors who are part of the Appointments Committee must abstain from taking part in the deliberations and votes that affect them.

Finally, section 3 states that "the re-election of a Director who is part of a committee or who holds an internal position on the Board of Directors or one of its committees will determine his/her continuity in this position without requiring express re-election and notwithstanding the power of revocation which corresponds to the Board of Directors."

Assessment procedure:

Article 25.8 of the Regulations of the Board of Directors addresses the director assessment procedure, establishing that the Board of Directors shall assess at least once yearly (a) the quality and effectiveness of its operation; (b) the performance of duties of the Chairman of the Board of Directors, and if applicable, of the CEO and Coordinating Director, based on the report submitted to the Appointments Committee; and (c) the operation of the committees based on the reports they submit to the Board of Directors.

Removal procedure:

In keeping with Company Bylaws, directors shall serve in their position for a period of four years, so long as the General Shareholders Meeting does not agree on their removal and they do not resign from their position.

Article 16 of the Regulations of the Board of Directors states that "directors will cease their position once the period for which they were appointed has elapsed, though they may nevertheless be re-elected, and whenever the General Shareholders Meeting decides to do so as proposed by the Board of Directors or the shareholders, in the terms set forth by law."

The removal processes and criteria shall follow the relevant provisions in the Corporate Enterprises Act and Royal Decree 1784/1996 of 19 July, which approved the Companies Register Regulation.

Finally, section 2 of article 16 of the Regulations of the Board of Directors contemplates the circumstances in which directors must offer their position to the Board of Directors and formalize their resignation, should the Board sees fit to do so, in any case subject to a report from the Appointments Committee.

C.1.20 Explain to which extent the annual evaluation of the Board resulted in important changes in its internal organization and the procedures applicable to its activities:

Amendment description
GAMESA CORPORACIÓN TECNOLÓGICA, S.A. commissioned external assessors to assess its administration bodies in 2014, resulting in the detection of a series of areas of improvement, promoting progress in three areas: a) expansion of the Board of Directors to incorporate the necessary profiles; b) increase in the efficiency of its operations; and c) buttressing the governance model. In particular, the results of the assessment were presented during the meeting of the Board of Directors on 25 February 2015, and said improvements were nearly all implemented during 2015. The most significant changes included an increase in the number of members on the Board of Directors, an increase in women board members, the incorporation of independent directors with expert profiles in the areas of accounting and finance, human resources or experience in industrial sectors, the use of a data repository for members of the Board of Directors, the implementation of training plans for Directors and the furthering in the definition of the duties of the Coordinating Director.

C.1.20.bis Describe the assessment process and areas assessed by the board of directors with the assistance, where pertinent, of an external consultant, regarding the diversity in the composition, capacities and operations thereof; composition of the board's committees; performance of the chairman of the board of directors and chief executive officer of the company; and the performance and contribution of each director.

The assessments conducted during 2014 and 2015 were done with the support of external consultants. The assessment process was carried out through preparatory work sessions led by the Chairman of the Appointments Committee with the participation of the directors from the cited Committee, assistance from the Secretary of the Committee and internal areas responsible for the corporate governance of the Company, the review of minutes and internal Company documentation, and, finally, through a comparative analysis with the best practices in corporate governance.

The areas assessed for the Board of Directors and Committees were the composition, operation, implementation of capacities, discharge of duties, and the relationship with other bodies. The Chairman of the Board and CEO were assessed in the same areas regarding the role's profile, implementation of capacities, discharge of duties, and the relationship with other bodies. The individual assessment of each director examined the same aspects on the profile and implementation of capacities.

C.1.20.ter Provide a breakdown, if necessary, of the business relationships that the consultant or any company of the consultant's group maintains with the company or any company of its group.

N/A

C.1.21 Indicate the circumstances in which directors are required to resign.

As established in Article 16.2 of the Board of Director's Regulations, *"directors or the natural person representing a Legal Entity Director must offer their resignation to the Board of Directors and formalize it, if the Board sees fit, subject to a report provided by the Appointments and Remuneration Committee in the following cases:*

a) Concerning Proprietary Directors, whenever these or the shareholder they represent cease to be the owners of significant stocks in the Company, as well as when such shareholders revoke representation.
b) Concerning Executive Directors, when they are removed from the executive positions associated with their appointment as Director and, in all cases, whenever the Board of Directors considers it necessary.
c) Concerning Non-executive Directors, when they join the management of the Company or of any of the companies in the Group.
d) When, due to circumstances beyond their control, they are involved in cases of incompatibility or prohibition as set forth by law or the Corporate Governance Standards.
e) Whenever they are brought to trial for a supposedly criminal act or a court ruling is passed against them to open a trial for any of the offenses set forth in the provisions of the Capital Company Act related to the prohibitions on being an administrator, or whenever they are involved in a sanction for a serious or very serious offense brought by supervisory authorities.
f) Whenever they are issued a serious warning by the Board of Directors or are sanctioned for a serious or very serious offense by a public authority for having breached their duties as Directors in the Company.
g) Whenever their continuity on the Board of Directors could put the Company's interests at risk, or whenever the reasons for their appointment have ceased to exist.
h) When, due to acts attributable to the Director acting in his/her capacity as such, cause significant damage to the Company's assets, or the reputation of the Company, or result in the loss of the business and professional reputation and credibility required for being a Director of the Company.

See note (C.1.21) in Section H of this report.

C.1.22 Repealed paragraph.

C.1.23 Are enforced majorities other than the legal majorities required in certain kinds of decisions?

Yes X **No**

Where applicable, describe the differences.

Description of the differences
The Regulations of the Board of Directors (article 4.4) requires of at least two-thirds of the directors attending the meeting to pass amendment thereof (save for modifications imposed by mandatory standards, in which case a simple majority will be required to adopt the resolution). Article 18.3 of the Regulations of the Board of Directors stipulates that in case the position of Chairman of the Board of Directors is held by an executive director, "removal from the position of this director will require the absolute majority of the members of the Board of Directors." Additionally, article 29.8 of the cited regulations states that the formalization of the contract establishing the remuneration and further terms and conditions of executive directors for the performance of management duties, must be approved by the Board of Directors with at least a favorable vote of two-thirds of its members.

C.1.24 Explain if there are specific requirements, other than those regarding directors, to be appointed chairman of the Board of Directors.

Yes **No X**

Description of the requirements

C.1.25 Indicate if the chairman has a casting vote:

Yes X **No X**

Matters in which there is a casting vote
Article 32.4 of the By-Laws and article 28.2 of the Board of Director's Regulations establishes that *"in the event of a tie, the Chairman will have the casting vote."*

C.1.26 Indicate if the by-laws or the Board of Director's Regulations establish a limit for the age of directors:

Yes ☐ **No X**

Chairman age limit ☐

CEO age limit ☐ **Director age limit** ☐

C.1.27 Indicate if the by-laws or the Board's Regulations establish a limited term for independent directors, other than that established in the legislation:

Yes ☐ **No X**

Maximum number of term years	

C.1.28 Indicate if the bylaws or regulations of the board of directors establish specific standards for awarding a proxy vote on the board of directors, how to do so and, specifically, the maximum number of awarded proxy votes a director can have, as well as whether there is any limitation insofar as the categories that can be delegated in addition to the limitations imposed by legislation. Where applicable, detail these standards briefly.

Article 25.3 of the Regulations of the Board of Directors states that *"directors must attend the sessions held. However, Directors may cast their vote in writing or delegate in writing their representation to another Director, specifically for each meeting, and the number of representations that each Director can receive is not limited. Non-executive directors may only delegate representation to other non-executive directors."*

For the purposes of delegating votes, in all calls of the Board of Directors, the specific proxy award model for that meeting and, where applicable, voting instructions if deemed necessary by the representee are included in compliance with Article 32.2 of the by-laws of GAMESA CORPORACIÓN TECNOLÓGICA, S.A. *"Any director may cast his/her vote in writing or confer his/her representation to another director, specifically for each meeting. Non-executive directors may only do so with other non-executive directors."*

C.1.29 Indicate the number of meetings held by the Board of Directors throughout the year. Also indicate, where applicable, the times the board has met without the attendance of its chairman. Representations made with specific instructions shall be considered attendances in the calculation.

Number of board meetings	15
Number of board meetings without attendance of the chairman	0

If the chairman is executive director, indicate the number of meetings held, without the attendance or representation of any executive director and chaired by the lead independent director.

Number of meetings	0

Indicate the number of meetings held by the different board committees throughout the year:

Number of meetings of the Executive Committee	110
Number of meetings of the Audit Committee	12
Number of meetings of the Appointment and Remuneration Committee	14
Number of meetings of the Appointment Committee	1
Number of meetings of the Remuneration Committee	1
Number of meetings of the ______ committee	

C.1.30 Indicate the number of meetings held by the Board of Directors throughout the year which all of its members attended. Representations made with specific instructions shall be considered attendances in the calculation:

Number of meetings with the attendance of all directors	15
% of attendances of the total votes throughout the year	100%

See note (C.1.30) in Section H of this report.

C.1.31 Indicate if the individual and consolidated annual financial statements presented to the Board for their approval are previously certified:

Yes ☐ **No X**

Identify, where applicable, the person/people who certified the company's individual and consolidated annual financial statements for them to be drawn up by the Board:

Name	Position

C.1.32 Explain, if there were any, the mechanisms put in place by the Board of Directors to keep its drawn up individual and consolidated financial statements from being presented in the General Meeting with exceptions in the audit report.

In its article 6, the Audit and Compliance Committee Regulations, attributes the Audit and Compliance Committee, among others, the following competencies in relation to the account auditing:

"d)Serve as a channel of communication between the Board of Directors and the auditor, ensuring that the Board of Directors holds an annual meeting with the auditor to be informed on the work carried out, the evolution of the accounting position and the risks.

e) Request from the auditor on a regular basis information about the audit plan and its implementation and any other matters related to the audit process, as well as all other communications provided for in the current audit legislation.

f) Assess the results of each audit and the management team's response to its recommendations.

g) Review the content of audit reports before they are issued and, where applicable, the content of limited review reports on interim statements, ensuring that said content and the opinions expressed therein regarding the annual financial statements are drafted by the auditor clearly, precisely and without limitations or exceptions and, should any exist, explaining them to the shareholders."

Article 8 of the Audit and Compliance Committee Regulations shall also be pointed out, which details the following main functions of the aforementioned Committee in relation to the process of preparing the economic-financial information:

"a)Oversee the preparation, presentation and integrity of economic and financial information relating to the Company and its consolidated Group, as well as the correct delimitation of the latter.

b) With regard to economic and financial information that the Company must periodically and mandatorily provide for the markets and their supervisory bodies: (i) review said information to ensure that it is accurate, sufficient and clear; and (ii) inform the Board of Directors before it adopts the corresponding agreement.

c) Verify that all periodic economic and financial information is formulated under the same accounting criteria as the annual financial information and, for this purpose and where appropriate, propose to the Board of Directors that the auditor perform a limited review thereof.

d) Oversee compliance with legal requirements and the correct application of generally accepted accounting principles, and inform the Board of any significant changes in accounting criteria."

One of the main objectives of the reports from the Audit and Compliance Committee, presented before the entire Board prior to approval of the information is to point out those aspects which may be considered, where applicable, exceptions in the audit report of GAMESA CORPORACIÓN TECNOLÓGICA, S.A. and its consolidated Group, formulating, where applicable, the appropriate recommendations to prevent them.

It should also be noted that the External Auditor has appeared before the Audit and Compliance Committee on several occasions throughout the year which ended December 31, 2015:

- appearance on February 24, 2015 regarding drawing up the annual financial statements which refer to the year that ended on December 31, 2014.

- appearance on June 22, 2015 regarding the recommendations to improve the system for internal control over financial information.

- appearance on July 28, 2015 regarding the limited review of transitional financial statements on June 30, 2015;

- appearance on December 11, 2015 regarding the most relevant aspects which were identified in the preliminary phase and regard the annual financial statements of the year which ended December 31, 2015.

C.1.33 Is the Board secretary a director?

Yes X **No X**

If the secretary is not a member of the Board fill in the following box:

Name or company name of the secretary	Representative

See note (C.1.33) in Section H of this report.

C.1.34 Repealed paragraph.

C.1.35 Indicate, if there were any, the concrete mechanisms put in place by the Company to preserve the independence of external auditors, financial analysts, the investment banks and rating agencies.

Article 6 c) of the Audit and Compliance Committee regulates the function of the aforementioned Committee regarding the independence of the external auditors establishing the following main functions:

"c) Ensure the independence of auditors. For such purposes:

i. It shall establish appropriate relations with the auditor in order to receive information on any matters that could jeopardize the latter's independence.

ii. It shall ensure that the Company, its Group and the auditor comply with the legal provisions established to assure their independence, as well as those expressly provided for in the Company's Corporate Governance Standards.

iii. It shall receive annually from the auditors written confirmation of its independence (both of the audit firm as a whole and the individual members of the work team) from the Company and its Group, as well as information on additional services of any kind rendered by the auditor (or its connected entities) to the Company or any company of its Group, and the corresponding fees accrued, in accordance with current auditing legislation.

iv. It shall issue an annual report, which it shall submit to the Board of Directors, prior to the issue of the audit report, expressing an opinion on the independence of the auditors. In particular, the report shall refer to services other than those of auditing which the auditor, or any company of its group, has rendered to the Company or its Group in the last three years, providing an individual and joint assessment thereof.

The report shall also deliver an opinion on compliance with the rules laid down by law and the Company's Corporate Governance Standards to guarantee the independence of auditors.

v. It shall authorize services other than those of auditing to be rendered by the auditor, insofar as the rendering of such services is permitted by law and the Company's Corporate Governance Standards.

vi. In the event of resignation of an auditor, the Committee shall examine the reasons behind this."

Regarding information to the financial analysts and investment banks, the presentation of results, and other relevant documents which the Company sends, this is done for each one simultaneously after they were sent to the CNMV.

Specifically, in compliance with the Recommendation from the CNMV dated December 22, 2005, GAMESA CORPORACIÓN TECNOLÓGICA, S.A. proceeds to announce the findings with analysts and investors with a prior notice of at least seven workdays, indicating the expected date and time for holding the meeting, as well as, where appropriate, the technical means (teleconference, webcast) through which any interested party may follow it directly.

The supporting documentation for the meeting is available through the Company's website (www.gamesacorp.com) a few minutes before it starts.

Also, a direct Spanish/English translation service is made available to the participants.

Finally, the recording of the meeting is made available to the investors on the Company's website (www.gamesacorp.com) for one month.

Likewise, *road shows* are held regularly in the most relevant countries and banking centers where individual meetings are held with all market agents. Their independence is protected by the existence of a specific representative dedicated to their service, which ensures objective, equal and non-discriminatory treatment.

At last it shall be pointed out that on September 23, 2015, the Board of Directors approved a “Policy on communications and contact with shareholders, institutional investors and voting advisors” that establishes the appropriate principles and measures that shall govern the management and supervision of the information disclosed to shareholders and the markets and the relationships with the shareholders, institutional investors and proxy advisors, with the aim to protect the exercise of its rights in the frame of the corporate interest defense.

See note (C.1.35) in Section H of this report.

C.1.36 Indicate if the Company has changed external auditors during the year. Where appropriate, identify the outgoing and incoming auditor:

Yes ☐ **No X**

Outgoing auditor	Incoming auditor

Explain the content of disagreements with the outgoing auditor if there were any:

Yes ☐ **No** ☐

Explanation of the disagreements

C.1.37 Indicate if the auditing firm carries out other tasks for the Company and/or its Group not related to auditing and in that case, declare the amount of fees received for these tasks and the percentage imposed on the fees billed to the Company and/or its Group:

Yes X **No **

	Company	Group	Total
Amount for other tasks not related to auditing (thousands of euros)	66	147	213
Amount for tasks not related to auditing / Total amount billed by the auditing firm (in %)	4.30	9.59	13.89

C.1.38 Indicate if the report on the previous year's annual financial statements audit contains reservations or exceptions. Where appropriate, indicate the reasons given by the Audit Committee Chairman to explain the content and scope of these reservations or exceptions.

Yes ** **No X

Explanation of the reasons

C.1.39 Indicate the number of years which the current auditing firm has carried out the audit of the Company's and/ or its Group's annual financial statements without interruption. Likewise, indicate the percentage which represents the number of years audited by the current auditing firm over the total number of years in which the annual financial statements have been audited

	Company	Group
Number of uninterrupted years	2	2

	Company	Group
No. of years audited by the current auditing firm / No. of years that the company has been audited (in %)	8%	8%

C.1.40 Indicate and, where appropriate detail, if there is a procedure so the directors may count on having external advice:

Yes X **No X**

Detail of the procedure
Article 36 of the Regulations of the Board of Directors establishes that the *"Board of Directors may request the assistance from legal, accounting and financial experts, or other external experts at the Company's expense whenever deemed necessary or beneficial for the performance of its competencies. 2. Non-executive Directors, in order to be aided in the performance of their duties, may also request contracting external experts at the Company's expense. 3. The contracting request must be drawn up by the Chairman."* Similarly, article 31 of the Regulations of the Audit and Compliance Committee establishes that *"with a view to receiving assistance in the discharge of its duties, the Committee may request the commissioning of legal, accounting and financial consultants and other experts at the expense of the company."* The Appointments and Remuneration Committees both contemplate identically in the respective articles 22 and 21 in their Regulations that *"with a view to receiving assistance in the discharge of its duties, the Committee may request the commissioning of legal consultants or other experts at the expense of the company."*

C.1.41 Indicate and, where appropriate detail, if there is a procedure so the directors may count on having the necessary information for preparing the meetings of the administrative bodies with enough time:

Yes X **No**

Detail of the procedure
Article 26.3 of the Regulations of the Board of Directors regulates the procedure for convening the meetings of the cited body, indicated that "*"ordinary meetings shall be convened by any written means that ensures correct receipt, and shall be authorized by the signature of the Chairman or the Secretary by order of the Chairman. The call to convene shall be a least three days in advance, will always include the meeting agenda and will be accompanied by the relevant information for the meeting. The Board of Directors may not make a decision if such information has not been made available to the Directors with the aforementioned three days advance notice. Directors may exceptionally adopt a decision even if the information was not made available within the aforementioned period if they consider it beneficial and no director opposes it."*

Likewise, Article 30.2 a) of the Regulations of the Board of Directors establishes that directors are required to "*diligently inform themselves and prepare the meetings of the Board of Directors and the committees of which they are members.*"

Additionally, article 34 of the Regulations of the Board of Directors states that Directors *"have the right to request and the duty to call on the Company for the necessary and appropriate information for correctly discharging their duties. The right of information is also extended to the companies of the Group in the terms set forth by the law and the Corporate Governance Standards. 2. The exercise of the information powers will be channeled through the Chairman, the CEO or the Secretary of the Board of Directors.*"

C.1.42 Indicate and, where appropriate detail, if the Company has established rules that require directors to inform and, where appropriate, resign in circumstances which may affect the company's credibility/standing and reputation:

Yes X **No** ☐

Explain the rules
As indicated in previous Section C.1.21, Article 16 of the Regulations of the Board of Directors establishes the circumstances in which directors shall offer their position to the Board of Directors and formalize their resignation if the Board sees fit. These include cases which may negatively affect the company's credibility/standing and reputation. Specifically, the directors must proceed as indicated: a) *"When, due to circumstances beyond their control, they are involved in cases of incompatibility or prohibition as set forth by law or the Corporate Governance Standards."* (article 16.2.d). b) *"Whenever they are brought to trial for an alleged criminal act or a court ruling is passed against them to open a trial for any of the offenses set forth in the provisions of the Corporate Enterprises Act related to the prohibitions on being an administrator, or whenever they are involved in a sanction for a serious or very serious offense prosecuted by supervisory authorities."* (article 16.2.e). c) *"Whenever they are issued a serious warning by the Board of Directors or sanctioned for a serious or very serious offense by a public authority for having breached their duties as directors in the company"* (article 16.2.f). d) *"Whenever their continuity on the Board of Directors may put the Company's interests at risk (...)"* (article 16.2.g).

e) *"When, due to acts attributable to the director acting in his/her capacity as such, significant damage occurs to the Company's assets or reputation of the Company, or there is a loss of business, professional reputation and credibility required for being a director of the Company"* (article 16.2.h).

Article 35.2 d) of the Regulations of the Board of Directors states that the director must inform the Company of "*judicial, administrative or any other kind of proceedings which are opened against the director and which, due to their importance or characteristics, may seriously affect the Company's reputation. Particularly, Directors must inform the Company, through the Chairman, if he/she is processed or a court ruling is passed against him/her regarding the opening of trial for any of the offenses contemplated in Article 213 of the Corporate Enterprises Act. In such cases, the Board of Directors will examine the case as soon as possible and make the decisions it considers to be most appropriate regarding the interests of the Company."*

C.1.43 Indicate if any member of the Board of Directors has informed the Company that he or she has been involved in judicial proceedings or a court ruling has been passed against him/her for the opening of trial for any of the offenses mentioned in Article 213 of the Capital Companies Law:

Yes ☐ **No X**

Director name	Criminal case	Observations

Indicate if the Board of Directors has analyzed the case. If the response is yes, reasonably explain the decision made on whether or not the director continues in his/her position or, where appropriate, state the actions taken by the Board of Directors to the date of this report or that are planned.

Yes ☐ **No** ☐

Decision made/action taken	Reasonable explanation

C.1.44 Detail the significant agreements the Company has entered into which enter into force, whether amended or terminated if the Company's control is changed due to a public acquisition bid, and its effects.

In accordance with the framework agreement undersigned on December 21, 2011 (Significant Event 155308) between IBERDROLA, S.A. and the subsidiary of GAMESA CORPORACIÓN TECNOLÓGICA, S.A., GAMESA EÓLICA, S.L. Unipersonal, the supposed change of control at GAMESA CORPORACIÓN TECNOLÓGICA, S.A. shall permit IBERDROLA, S.A. to terminate the framework agreement, without the parties having something of which to make a claim for this termination.

Likewise, in accordance to the Joint Venture agreement signed on July 7, 2014 (Significant event number 208151) between AREVA, S.A. and GAMESA CORPORACIÓN TECNOLÓGICA, S.A., among other companies in their respective groups, the supposed change of control in GAMESA CORPORACIÓN TECNOLÓGICA, S.A. in favor of a competitor shall enable the parties of the AREVA group to finish the agreement, situation that may lead to the sale to AREVA of the participation owned by GAMESA in the Joint Venture or, as last instance, the dissolution and liquidation of the aforementioned Joint Venture company.

Lastly, on 17 December 2015, Gamesa Energía, S.A.U. (as purchaser) and GESTION ELABORACION DE MANUALES INDUSTRIALES INGENIERIA Y SERVICIOS COMPLEMENTARIOS, S.L.; INVERSIONES EN CONCESIONES FERROVIARIAS, S.A.U.; CAF POWER & AUTOMATION, S.L.U.; and FUNDACION TECNALIA RESEARCH & INNOVATION (as sellers) signed a Stock Purchase Agreement bound to suspensory conditions regulating the acquisition of 50% of NUEVAS ESTRATEGIAS DE MANTENIMIENTO, S.L. (NEM). The suspensory condition was the authorization of the CNMV and Competition Authorities as established in article 7.1.c) of the Spanish Competition Act (Law 15/2007 of 3 July). On the same date, and with a view to regulating the relationship of Gamesa Energía and INVERSIONES EN CONCESIONES FERROVIARIAS, S.A.U. (ICF) as future partners of NEM (as the case may be) the parties signed a Partnership Agreement. By virtue of the provisions established in the referred Partnership Agreement, in case of a possible change in the control of GAMESA CORPORACIÓN TECNOLÓGICA, S.A., Gamesa Energía, S.A.U. must offer the remaining partners direct purchase of stock in NEM.

C.1.45 Identify in an aggregated manner and indicate, in a detailed manner, the agreements between the companies and its administrative and management positions or employees which have severance pay, guarantee or redundancy clauses when they resign or are fired unjustly or if the contractual relationship ends due to a public acquisition bid or other kind of operations.

Number of beneficiaries	24
Type of beneficiary	**Description of the agreement**
CEO, Senior Management and Managers	A severance pay of a different amount is recognized based on the specific position occupied by the beneficiary, which mainly ranges from 12 to 24 months of fixed remuneration and the last received annual variable remuneration. This severance pay essentially applies to cases of termination for causes not attributable to the beneficiary and cases in which control of the Company changes.

Indicate if these contracts must be communicated and/or approved by the bodies of the Company or of its Group:

	Board of Directors	General Meeting
Body which authorizes the clauses	X	

	YES	NO
Is the Board informed of the clauses at the General Meeting?	X	

See note (C.1.45) in Section H of this report.

C.2 **Committees of the Board of Directors**

C.2.1 Detail all committees of the Board of Directors, their members and the proportion of executive, proprietary, independent and other external directors on them:

EXECUTIVE COMMITTEE

Name	Position	Category
Martín San Vicente, Ignacio	Chairman	Executive
Arregui Ciarsolo, Juan Luis	Member	Independent External
Aldecoa Sagastasoloa, José María	Member	Independent External
Lada Díaz, Luis	Member	Independent External
Villalba Sánchez, Francisco Javier	Member	Proprietary External

% of executive directors	20%
% of proprietary directors	20%
% of independent directors	60%
% of other external directors	0%

Explain the duties attributed to this committee, describing committee procedures and rules of organization and operations; and summarize the most significant engagements carried out during the year.

Functions:

Article 23 of the Regulations of the Board of Directors states that the Board of Directors may constitute a Delegated Executive Committee "*with all or some of the inherent powers of the Board of Directors, save powers that cannot be delegated by law or in accordance with the Corporate Governance Standards.*"

However, as an exception to the foregoing and as contemplated under article 8 of the cited regulations, when duly justified urgent circumstances arise, and as allowed by law, the Delegated Executive Committee may adopted decisions on matters reserved for the Board of Directors, which must be ratified at the first meeting held by the Board of Directors after making the decision.

Organization:

a) It shall comprise the number of Directors as decided upon by the Board of Directors, upon the proposal of the Appointments and Remuneration Committee, with a minimum of four (4) and a maximum of eight (8) Directors.

b) The Board of Directors shall ensure, to the extent possible and in view of the Company's circumstances, that the shareholding structure of the director categories is similar to the Board of Directors' structure.

c) The appointment of its members and the permanent delegation of powers thereto shall be done by the Board of Directors, and requires a favorable vote of at least two thirds of the Directors. The Board of Directors shall decide when, how and to what extent the Committee members are renewed.

d) The Chairman and the CEO, if one exists, shall be members of the Committee.

e) The meetings shall be presided over by the Chairman of the Board of Directors or, in the absence thereof, the director appointed by the Committee. This role will also be secretary of the Board of Directors, though in his/her absence, the Vice Secretary or, in the absence thereof, the individual designated by the Committee, who need not be a director, shall sit as secretary.

Operation:

a) It will meet as frequently as deemed appropriate by its chairman and, at least, every two (2) months. Meetings will be held whenever a minimum of two of the members so request.
b) Agreements shall be adopted by an absolute majority of present and represented votes. In case of a tie, the Chairman shall have the casting vote.
c) The Board of Directors must be informed during its first meeting after said meetings, of the items discussed, the decisions adopted and will send it a copy of its minutes.

Most significant actions:

The Delegated Executive Committee has discharged its duties according to the internal rules and regulations of the Company, underscoring its approval to the Board of Directors for matters that, while not constituting capacities that could not be delegated to the Board, could have been handled by the Delegated Executive Committee.

Indicate if the composition of the Executive Committee reflects the shareholding of different directors according to their condition on the Board:

Yes X **No** ☐

If no, explain the composition of your Executive Committee

AUDIT AND COMPLIANCE COMMITTEE

Name	Position	Category
Hernández García, Gloria	Chairman	Independent External
Rubio Reinoso, Sonsoles	Member	Proprietary External
Vázquez Egusquiza, José María	Member	Independent External
Aracama Yoldi, José María	Member	Independent External

% of executive directors	0%
% of proprietary directors	25%
% of independent directors	75%
% of other external directors	0%

Explain the duties attributed to this committee, describing committee procedures and rules of organization and operations; and summarize the most significant engagements carried out during the year.

Functions:

Gamesa's Audit and Compliance Committee is a permanent internal body of the Board of Directors for information and consultation, entrusted with informing, advising and making recommendations.

Articles 5, 6, 7 8, 9, 10, 11 and 12 in chapter II of the *Regulations of the Audit and Compliance Committee* establish the duties of this committee. The full text of Company internal rules and regulations are available at www.gamesacorp.com

The duties of the Audit and Compliance Committee primarily refer to the oversight of the Company's internal audit, at the revision of the internal control systems for drawing up economic-financial information, auditing accounts and compliance in the terms established in its regulations.

Organization:

a) It will comprise at least three (3) and at most (5) non-executive directors, with at least two of them being independent directors, appointed for a maximum term of four (4) years by the Board of Directors, as proposed by the Appointments Committee.

b) Members of the Executive Committee cannot be on the Audit and Compliance Committee.

c) At least one of the appointed independent directors has knowledge and experience in accounting, auditing or both.

d) A Chairperson shall be appointed among the independent directors for a maximum 4-year term, after which he/she may not be re-elected as chairperson until one year has elapsed since conclusion of said term; and a Secretary shall also be appointed, though this officer need not be a Director.
e) Members shall no longer hold their office: a) when they cease to be non-executive directors of the Company; b) when independent directors lose that office, if this means the number of independent directors on the Committee is less than two; and c) when agreed on by the Board of Directors.

f) Directors sitting on the Committee who are re-elected as Directors of the Company shall continue to hold their positions within the Committee unless the Board of Directors resolves otherwise.

Operation:

a) It shall meet as often as necessary to perform its duties, at the Chairman's behest. Meetings shall also be held whenever two of the members so request.

b) It shall be validly constituted when more than half of its members are present or represented at the meeting.

c) Agreements shall be adopted by the absolute majority of members present at the meeting.

d) When the issues to be dealt with during the Committee meetings directly affect some of its members or individuals related thereto and, in general, when this member enters into a conflict of interest, he/she must leave the meeting until the decision is made, being removed from the number of members of the Committee, to calculate the quorum and majorities related to the item in question.

Most significant actions:

Articles 5 through 12 of the Regulations of the Audit and Compliance Committee and Article 529 quaterdecies of the Corporate Enterprises Act limit the duties of the Audit and Compliance Committee. During 2015, the Audit and Compliance Committee was informed of all the matters within its capacity and, in this context, has satisfactorily discharged the duties assigned by law, Bylaws, Regulations of the Board of Directors and the committee's organizational and operating regulations.

Identify the director member of the Audit Committee that has been appointed taking into account his/her knowledge and experience in accountancy, auditing or in both and inform about the number of years that the Chairman of this Committee is in his/her post.

Name of the director with experience	Gloria Hernández García
Number of years of the chairman in the post	Since May 27, 2015

APPOINTMENTS AND REMUNERATION COMMITTEE

Name	Position	Category
Cendoya Aranzamendi, Andoni	Chairman	Independent External
Arregui Ciarsolo, Juan Luis	Member	Independent External
Góngora Bachiller, Gema	Member	Proprietary External

% of executive directors	0%
% of proprietary directors	33.33%
% of independent directors	66.67%
% of other external directors	0%

Explain the duties attributed to this committee, describing committee procedures and rules of organization and operations; and summarize the most significant engagements carried out during the year.

<u>Functions:</u>

Articles 5, 6, 7 and 8 under Chapter II of the Regulations of the Appointments and Remuneration Committee, valid until 16 December 2015, date on which the Committee was split into two separate committees, established the duties of the Appointments and Remuneration Committee.

<u>Organization:</u>

a) Comprising at least three (3) and at most (5) non-executive directors, with at least two of them being independent directors, appointed for a maximum term of four (4) years by the Board of Directors, as proposed by the Committee per se.

b) A Chairperson was appointed among the independent directors for a maximum 4-year term, after which he/she could not be re-elected as chairperson until one year had elapsed since conclusion of said term; and a Secretary was also appointed, though this officer needed not be a Director.

c) Members no longer held office: a) when they ceased to be non-executive directors of the Company; b) when independent directors no longer held their office, whereby lowering the number of independent directors on the Committee to less than two; and c) when agreed on by the Board of Directors.

<u>Operation:</u>

a) It shall meet as often as necessary to perform its duties, at the Chairman's behest. Meetings shall also be held whenever two of the members so request.

b) It was validly constituted when more than half of its members were present or represented at the meeting.

c) Agreements are adopted by the absolute majority of members present at the meeting.

d) When the matters to address during the Committee meetings directly affected some of its members or individuals related thereto and, in general, when this member entered into a conflict of interest, he/she had to leave the meeting until the decision was made, being removed from the number of members of the Committee, to calculate the quorum and majorities related to the item in question.

Most significant actions:

During 2015 and until being split into two separate Committees as approved by the Board of Directors in its session on 16 December 2015, the Appointments and Remuneration Committee was informed of all the matters of its capacity and, in this context, satisfactorily discharged with the duties assigned thereto by law, Bylaws, Regulations of the Board of Directors and the committee's organizational and operating regulations. The most significant engagements of the Appointments and Remuneration Committee during 2015 and until its split into two Committees were the selection of new Directors, the implementation of areas of improvement detected during its yearly assessment and the drawing up of a director training plan.

APPOINTMENTS COMMITTEE

Name	Position	Category
Cendoya Aranzamendi, Andoni	Chairman	Independent External
Aracama Yoldi, José María	Member	Independent External
Villalba Sánchez, Francisco Javier	Member	Proprietary External

% of executive directors	0%
% of proprietary directors	33.33%
% of independent directors	66.67%
% of other external directors	0%

Explain the duties attributed to this committee, describing committee procedures and rules of organization and operations; and summarize the most significant engagements carried out during the year.

Functions:

This committee is an internal body of the Board of Directors for information and consultation, albeit with no executive functions, entrusted with informing, advising and making recommendations regarding matters within its capacities.

Articles 5, 6 and 7 in chapter II of the *Regulations of the Appointments Committee* establish the duties of the Appointments Committee. In particular, the primary function of the Committee is to oversee the composition and functioning of the Company's Board of Directors and Senior Management.

The full text of Company internal rules and regulations are available at www.gamesacorp.com
The Appointments Committee was constituted on 16 December 2015, in the framework of the split of the former Appointments and Remuneration Committee of Gamesa's Board of Directors to comply with recommendation no. 48 of the *Code of Good Governance for listed companies*.

Organization:

a) It will comprise at least three (3) and at most (5) non-executive directors, with at least two of them being independent directors, appointed for a maximum term of four (4) years by the Board of Directors, as proposed by the Appointments Committee.

b) A Chairperson shall be appointed among the independent directors for a maximum 4-year term, after which he/she may not be re-elected as chairperson until one year has elapsed since conclusion of said term; and a Secretary shall also be appointed, though this officer need not be a Director.

c) Members shall no longer hold their office: a) when they cease to be non-executive directors of the Company; b) when independent directors lose that office, if this means the number of independent directors on the Committee is less than two; and c) when agreed on by the Board of Directors.

d) Directors sitting on the Committee who are re-elected as Directors of the Company shall continue to hold their positions within the Committee unless the Board of Directors resolves otherwise.

Operation:

a) It shall meet as often as necessary to perform its duties, at the Chairman's behest. Meetings shall also be held whenever two of the members so request.

b) It shall be validly constituted when more than half of its members are present or represented at the meeting.

c) Agreements shall be adopted by the absolute majority of members present at the meeting.

d) When the issues to be dealt with during the Committee meetings directly affect some of its members or individuals related thereto and, in general, when this member enters into a conflict of interest, he/she must leave the meeting until the decision is made, being removed from the number of members of the Committee, to calculate the quorum and majorities related to the item in question.

Most significant actions:

The Appointments Committee only held one session during 2015 for the purpose of internally distributing positions within the Committee, hence engagements of importance during the cited period cannot be included in the present section.

REMUNERATION COMMITTEE

Name	Position	Category
Cendoya Aranzamendi, Andoni	Chairman	Independent External
Arregui Ciarsolo, Juan Luis	Member	Independent External
Góngora Bachiller, Gema	Member	Proprietary External

% of executive directors	0%
% of proprietary directors	33.33%
% of independent directors	66.67%
% of other external directors	0%

Explain the duties attributed to this committee, describing committee procedures and rules of organization and operations; and summarize the most significant engagements carried out during the year.

Functions:

This committee is a permanent internal body of the Board of Directors for information and consultation, entrusted with informing, advising and making recommendations.

Articles 5 and 6 in chapter II of the *Regulations of the Remuneration Committee* establish the duties of the Remuneration Committee. In particular, the essential function of the Remuneration Committee is to oversee the remuneration of the Company's Board of Directors and Senior Management.

The full text of Company internal rules and regulations are available at www.gamesacorp.com

As mentioned above, the Appointments Committee was constituted on 16 December 2015, in the framework of the split of the former Appointments and Remuneration Committee of Gamesa's Board of Directors to comply with recommendation no. 48 of the *Code of Good Governance for listed companies*.

Organization:

a) It will comprise at least three (3) and at most (5) non-executive directors, with at least two of them being independent directors, appointed for a maximum term of four (4) years by the Board of Directors, as proposed by the Appointments Committee.

b) A Chairperson shall be appointed among the independent directors for a maximum 4-year term, after which he/she may not be re-elected as chairperson until one year has elapsed since conclusion of said term; and a Secretary shall also be appointed, though this officer need not be a Director.

c) Members shall no longer hold their office: a) when they cease to be non-executive directors of the Company; b) when independent directors lose that office, if this means the number of independent directors on the Committee is less than two; and c) when agreed on by the Board of Directors.

d) Directors sitting on the Committee who are re-elected as Directors of the Company shall continue to hold their positions within the Committee unless the Board of Directors resolves otherwise.

Operation:

a) It shall meet as often as necessary to perform its duties, at the Chairman's behest. Meetings shall also be held whenever two of the members so request.

b) It shall be validly constituted when more than half of its members are present or represented at the meeting.

c) Agreements shall be adopted by the absolute majority of members present at the meeting.

d) When the issues to be dealt with during the Committee meetings directly affect some of its members or individuals related thereto and, in general, when this member enters into a conflict of interest, he/she must leave the meeting until the decision is made, being removed from the number of members of the Committee, to calculate the quorum and majorities related to the item in question.

Most significant actions:

The Remuneration Committee only held one session during 2015 for the purpose of internally distributing positions within the Committee, hence engagements of importance during the cited period cannot be included in the present section.

______ COMMITTEE

Name	Position	Type

% of executive directors	
% of proprietary directors	
% of independent directors	
% of other external directors	

See note (C.2.1) in Section H of this report.

C.2.2 Fill out the following table with the information related to the number of female board members on the Board of Directors' committees over the closing of the last four years:

	Number of female board members							
	Year t		**Year t-1**		**Year t-2**		**Year t-3**	
	Number	**%**	**Number**	**%**	**Number**	**%**	**Number**	**%**
Executive Committee	0	0.00%	1	20.00%	1	20.00%	1	20.00%
Audit and Compliance Committee	2	50.00%	1	25.00%	1	33.33%	1	33.33%
Appointments and Remuneration Committee	0	0.00%	0	0.00%	0	0.00%	0	0.00%
Appointment Committee	0	0.00%	N/A		N/A		N/A	
Remuneration Committee	1	33.33%	N/A		N/A		N/A	

C.2.3 Repealed paragraph.

C.2.4 Repealed paragraph.

C.2.5 Indicate, where appropriate, the existence of regulations for the Board's committees, the place where they can be reached for consultation, and amendments made throughout the year. In turn, it shall be indicated whether an annual report on the activities of each committee was drawn up voluntarily.

Audit and Compliance Committee

The Audit and Compliance Committee is regulated in the Bylaws, Regulations of the Board of Directors and Regulations of the Audit and Compliance Committee, which has been posted and thus available to anyone interested on the Company's website (www.gamesacorp.com).

The Regulations of the Audit and Compliance Committee were approved by the Gamesa Board of Directors on 29 September 2004 and subsequently amended on 21 October 2008. A new revised text was approved on 15 April 2011 and subsequently amended on 20 January 2012. Finally, the Company's Board of Directors approved the currently valid version of the revised text of these regulations on 24 March 2015.

The purpose of this most recent amendment to the Regulations of the Audit and Compliance Committee was to (i) incorporate improvements to its wording and technical characteristics, (ii) simplify its content, and (iii) adapt the regulations to the developments affecting the Spanish Corporate Enterprises Act by Law 31/2014 of 3 December, which amended the Corporate Enterprises Act for improving corporate governance in accordance with the amendment of the Regulations of the General Shareholders Meeting approved in an identical session of the Board of Directors, and with the reform of the Bylaws and Regulations of the General Shareholders Meeting that the Board of Directors proposed for submission to the General Shareholders Meeting in the cited session.

In accordance with Article 12 g) of the Regulations of the Audit and Compliance Committee, this committee has the duty to draw up an annual report on its activities, submitting it to the Board of Directors for approval and subsequently made available to the shareholders at the time of notice of the Ordinary General Shareholders Meeting.

Appointments Committee

The Appointments Committee is regulated in the Bylaws, Regulations of the Board of Directors and Regulations of the Appointments Committee, which has been posted and thus available to anyone interested on the Company's website (www.gamesacorp.com).

On 24 March 2015, the Board of Directors approved the most recent version of the revised text of the Appointments and Remuneration Committee with the aforementioned purposes in connection with the Regulations of the Audit and Compliance Committee.

On 16 December 2015, the Board of Directors, when splitting the Appointments and Remuneration Committee, repealed the regulations thereof and approved the corresponding Regulations of the Appointments Committee and Regulations of the Remuneration Committee, therein distributing the powers formerly assumed by the erstwhile committee.

Article 18 of the Regulations of the Appointments Committee establishes the obligation of said committee to draw up a yearly report on its activities to be made available to Company shareholders and investors following approval thereof by the Board of Directors at the call to convene the ordinary General Shareholders Meeting (in this regard, article 19 of the repealed Regulations of the Appointments and Remuneration Committee contemplated the obligation of the former Appointments and Remuneration Committee to draw up a yearly report on its activities).

Remuneration Committee

The Remuneration Committee is regulated in the Bylaws, Regulations of the Board of Directors and Regulations of the Remuneration Committee, which has been posted and thus available to anyone interested on the Company's website (www.gamesacorp.com).

On 24 March 2015, the Board of Directors approved the most recent version of the revised text of the Appointments and Remuneration Committee with the aforementioned purposes, repealing it and approving the Regulations of the Remuneration Committee on 16 December 2015.

Article 17 of the Regulations of the Remuneration Committee establishes this committee's duty to draw up a yearly report of its activities that will be made available to Company shareholders and investors following approval by the Board of Directors, for the call to convene the ordinary General Shareholders Meeting.

C.2.6 Repealed paragraph.

D RELATED PARTY TRANSACTIONS AND INTERGROUP TRANSACTIONS

D.1 Explain, where appropriate, the procedure for approving related party transactions and intergroup transactions.

Procedure for approving related party transactions
Article 33 of the Regulations of the Board of Directors, which regulates the transactions of the Company with shareholders holding significant stock and directors, establishes that "*the performance of any transaction by the Company with Directors or shareholders with significant participation, or who have proposed the appointment of any Director of the Company, is subject to the approval of the Board of Directors or the General Shareholders Meeting following a report from the Audit and Compliance Committee and in the terms established by law.* *If there are transactions that fall within a general line of business and are of a habitual or recurring nature, a general and prior authorization of the line of transactions by the Board of Directors will suffice.* *Transactions must be made in market conditions and in observance of the principle of equal treatment of shareholders.*" In this regard, article 12 a) of the Regulations of the Audit and Compliance Committee refers to the report that the Audit and Compliance Committee must submit with the operations or transactions that could represent a conflict of interests.

D.2 Detail the transactions which are significant due to their amount or which are relevant due to their nature made between the society or entities of its Group and the Company's significant shareholders:

Significant shareholder's name or company name	Name or company name of the company or entity of its group	Type of relationship	Type of transaction	Amount (thousands of euros)
IBERDROLA, S.A.	GAMESA EÓLICA, S.L.U.	Contractual	Sale of assets	206,911
IBERDROLA, S.A.	GAMESA ENERGÍA, S.A.U.	Contractual	Sale of financial investments	949

See note (D.2) in Section H of this report.

D.3 Detail the transactions which are significant due to their amount or which are relevant due to their nature made between the society or entities of its Group and the company's administrators or managers:

Name or company name of the administrators or managers	Name or company name of the related party	Relation	Type of transaction	Amount (thousands of euros)

D.4 Report on the significant transactions made by the Company with other entities belonging to the same group, whenever they are not deleted in the process of drawing up the consolidated financial statements and do not form part of the normal traffic of the Company regarding its purpose and conditions.

In any case, any intergroup transaction made with entities established in countries or regions which are considered a tax haven shall be reported:

Company name of the entity in its group	Brief description of the transaction	Amount (thousands of euros)

See note (D.4) in Section H of this report.

D.5 Indicate the amount of transactions made with other related parties.

131,204 thousand euros.

See note (D.5) in Section H of this report.

D.6 Detail the mechanisms put in place to detect, determine and resolve any conflicts of interest between the Company and/or its Group, and its directors, executives or significant shareholders.

<u>Mechanisms:</u>

a) *Possible conflicts of interest between the Company and/or its Group, and its directors*:

Article 31 of the *Regulations of the Board of Directors* regulates the conflicts of interest between the Company or any other company of its Group and its directors. In particular, paragraphs 1 and 2 define the situations in which a director has a conflict of interest and lists persons who, given that they are considered linked thereto, could generate situations of conflicts of interest.

Likewise, the following sections in this article regulate the mechanisms for resolving situations of conflict of interest. In particular, paragraphs 3 and 4 establish 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 refrain from attending and intervening in the deliberations, voting, decision-making and execution of transactions and matters affecting the conflict. The votes of Directors affected by the conflict and who, therefore, had to abstain, will not be taken into account for calculating the required majority of votes to adopt a corresponding resolution.

The following paragraph in article 31 of the *Regulations of the Board of Directors* clarifies that "in unique cases, the Board of Directors or the General Shareholders Meeting, as appropriate and in accordance with the terms provided by law, may waive the prohibitions arising from the duty to avoid conflicts of interest". Further, paragraph specifies that such waive shall follow the corresponding report from the (a) Audit and Compliance Committee on the operation vulnerable to a potential conflict of interest, proposing the adoption of an agreement in this regard, or from the (b) Appointments or Remuneration Committee when referring to waiving the performance of contractual obligations.

Paragraph 7 of the cited article states that "the Chairman of the Board of Directors must include the transaction and the conflict of interest in question on the agenda of the next corresponding meeting of the Board of Directors so that it may adopt a resolution as soon as possible regarding the issue, on the basis of the report drawn up by the corresponding committee, deciding whether to approve the transaction, or the alternative that may have been proposed, as well as the specific measures to be adopted."

Finally, paragraphs 8 and 9 states that the Company's annual corporate governance report shall include conflict-of-interest situations involving directors or persons related thereto, and that the report of the annual financial statements shall detail the operations in conflict of interest that have been authorized by the Board of Directors, as well as any other existing conflict of interest pursuant to the provisions of current legislation during the financial year of the financial statements.

b) *Possible conflicts of interest between the Company and/or its Group, and its managers:*

Company and Group senior management and professionals who, given their activities or information to which they may have access, are classified as Affected Persons (as defined in article 6 of Gamesa's *Internal Regulations for Conduct in the Securities Markets*) by the Ethics and Compliance Division, will be subject to the *Internal Regulations for Conduct in the Securities Markets*, whose most recently revised version was approved on 24 March 2015.

In this regard, article 22 of the *Internal Regulations for Conduct in the Securities Markets* establishes that managers and professionals considered to be Affected Persons must immediately inform their direct supervisor, hierarchical superior or the Ethics and Compliance Committee of situations that could potentially give rise to a conflict of interest and keep such bodies permanently up to date with regard to said situations. Any concerns regarding the actual existence of a conflict of interest must be addressed with the Ethics and Compliance Division.

c) *Possible conflicts of interest between the company and/or its group and significant shareholders:*

The procedure for resolution of conflicts of interest with significant shareholders is stipulated in article 33 of the *Regulations of the Board of Directors*, according to which any operation between the Company and a significant shareholder "is subject to the approval of the Board of Directors or the General Shareholders Meeting following a report from the Audit and Compliance Committee and in the terms established by law."

The cited articled states that if the previous transactions fall within the ordinary course of business and are of a regular or recurring nature, "a generic and prior authorization of the line of transactions by the Board of Directors will suffice."

In any case, "transactions must be made in market conditions and in observance of the principle of equal treatment of shareholders."

d) *Relationships of the directors and/or significant shareholders with companies of the Group:*

Article 37 of the *Regulations of the Board of Directors* states that the obligations referred to in Chapter IX therein regarding Company directors and shareholders holding significant stock shall also be construed as applicable, similarly, insofar as the possible relationships between Gamesa and companies integrated in the Group.

D.7 Do you list more than one company of the Group in Spain?

Yes ☐ **No X**

Identify the subsidiary companies listed in Spain:

Listed subsidiary companies

Identify if the respective areas of activity and possible business relationships between them, as well as relationships between the listed subsidiary and other Group companies have been accurately and publicly defined;

Yes ☐ **No** ☐

Define any business relationships with the parent company and listed subsidiary company, and between it and other companies of the Group

Identify the mechanisms in place for resolving any conflicts of interest between the listed subsidiary and other companies of the Group:

Mechanisms for resolving possible conflicts of interest

E RISK MANAGEMENT AND CONTROL SYSTEMS

E.1 Explain the scope of the Company's Risk Management System, including tax-related risks.

GAMESA CORPORACIÓN TECNOLÓGICA has Risk Control and Management Systems, promoted by the Board of Directors and Senior Management, implemented throughout the entire organization (business units, departments, companies) and, following the strategic globalization line of the industrial, technological and commercial activities in the different geographic areas in which they operate, developing a global and integral vision in these systems, contribute to meeting business objectives, creating value for the different groups of interest and to the sustainable and profitable development of the organization.

The systems are supported on an universal Risk Control and Management Model, the "Business Risk Model (BRM)", to classify risks. Initially approved by the Board of Directors in 2004, with its most recent update (through the Risk Control and Management Policy) approved by the Board of Directors on 23 September 2015, the BRM groups risks into: (1) corporate governance, ethics and compliance risks, (2) strategic and environmental risks, (3) processing risks and (4) risks associated with information for making decisions or legal requirements.

The basis of these systems is set out in the General Risk Control and Management Policy of GAMESA CORPORACIÓN TECNOLÓGICA, S.A. Initially approved by the Board of Directors on 22 April 2009 and most recently modified following resolution of the Board of Directors on 23 September 2015, this policy, in line with the reality of the Company, establishes the bases and general context on which all risk control and management components are based, providing discipline and structure in relation to said components: management objectives and philosophy, model for the identification, evaluation, measurement and control of risks, accepted risk level, communication, reporting and supervision by the Board of Directors and Audit and Compliance Committee, integrity, ethical values, competencies and assignment of responsibilities.

Additionally, the Company has a Corporate Tax Policy, approved by the Board of Directors on 23 September 2015. This policy expresses the Company's tax strategy and commitment to compliance, development and incorporation of good tax practices in all geographic areas in which the Company operates.

The Risk Control and Management Systems work comprehensively and continuously, are supported in an appropriate definition and assignment of functions and responsibilities at the operating level and in some procedures, methodologies, support tools and information systems appropriate for the different stages and activities of the system; and include: continuous identification and analysis of relevant risks and threats; assessment of the impact, likelihood and degree of control establishing a corporate risk map (including the financial, tax-related, operating, strategic and legal risks, in addition to other associated risks with activities, processes, projects, products and key services) that is useful for taking steps to mitigate, transfer, share and/or avoid the risks, and buttress the securing of opportunities; and the overseeing and communication of the results of risk control and management tracking.

The Company's Risk Control and Management Systems include the comprehensive management of operating risks associated with the main business and decision-making processes, in which risks with specific aligned risk management procedures are identified and handled, insofar as they relate to the identification and assessment criteria, with those of the general corporate procedure and BRM model, so that they need not flourish at the corporate level to be controlled optimally (NBA: "*New Business Approval*", PM: "*Program Management*", Technology/New Product Development System, Operation and Maintenance Services, Continuous Improvement, Monthly Closings, etc.).

E.2 Identify the bodies of the Company that are responsible for developing and implementing the Risk Management System, including tax-related risks.

As the Company's top decision-making, oversight and control level, the **Board of Directors** examines and authorizes all relevant operations. It exercises the responsibility that cannot be delegated of supervision, and is the last responsible party for the identification of the main risks of the Company. It is also responsible for establishing the general policies and strategies, including the Company's risk control and management policy and tax strategy, and likewise oversee and implement the supervision of internal information and control systems.
The Company's Risk Control and Management Systems are applied through an organization structured into four ties of protection and defense to face and manage significant risks, namely:

(1) Risk management property

The Group's **Management Committee** and **Executive Committee** are responsible, inter alias, for:

- Conducting a comprehensive risk control and management in business and decision-making processes as proprietors of the risks associated with the activities, processes, projects, products and services of the business lines across all geographic areas in which the Company operates.
- Maintaining a suitable continuous risk assessment process, securing the identification, assessment and response (leading the definition and implementation of action plans) vis-à-vis the risks that could affect the attainment of Company objectives. Various risk management collaborators may be involved to carry out this duty.
- Guaranteeing compliance with the procedures concerning risk control and management, ensuring that Gamesa personnel know the risk and control environment of each process affecting them, and adopting the measures necessary or the dissemination of and compliance with the General Risk Control and Management Policy by assigning the necessary resources (human, technological and financial).

Further duties of the Group responsible for creating and executing control and risk management systems are:

- Committees of each region: As proprietors of the regional risks, they have duties at this level that are similar to those of the Group's Management Committee.

- General Finance Division: In accordance with the Investment and Financing Policy, it centralizes the financial risk management throughout the Gamesa group.

- **Tax Department**: Reporting to the General Finance Division, it ensures compliance with the tax strategy and policy, apprising control and oversight bodies of tax-related criteria and policies applied during the year and the tax risk control. This role manages and ensures due compliance with the tax obligations throughout the Group, assuring that all tax-related decisions are duly substantiated and documented, and are adopted on the appropriate levels in the organization.

(2) Tracking and compliance

- **Risk Control Department (BRC)**: Reporting to the Internal Audit Division, it participates in defining the risk strategy, good operation and efficiency of the control systems and in mitigating the detected risks; and ensures that the executive line evaluates everything related to the risks of the company, including the operational, technological, legal, social, environmental, political and reputational risks.

- **Ethics and Compliance Division:** reporting directly to the Audit and Compliance Committee, this division applies the Code of Conduct and Internal Regulations for Conduct in the Securities Markets, and supervises the implementation and compliance of the Crime Prevention and Anti-Fraud Policy and Program at GAMESA CORPORACIÓN TECNOLÓGICA, S.A.

  In January 2015, the Regulatory Compliance Unit become the Ethics and Compliance Division.

(3) Independent assurance

Internal Audit Division: Directly linked to the Board of Directors, on which it functionally depends through the Audit and Compliance Committee, which allows it to guarantee the independence of its actions.

This division informs, advises and reports to the Audit and Compliance Committee on the risks associated with the balance sheet and the functional activity areas with the existing identification, measurement and control thereof. It therefore executes the annual Internal Audit work plan, reporting the activities executed from this plan and the incidents arising.

(4) Oversight

The Board of Directors entrusts the **Group's Audit and Compliance Committee** with duties including:

– Ensure the independence and effectiveness of the Internal Audit, and regularly review the effectiveness of the internal risk control and management systems, including tax-related risks, to properly identify, analyze and report the main risks.

- Ensure that the risk control and management policies identify the different risk types (operational, technological, financial, legal, tax-related, reputational, etc.) affecting the Company (note: financial or economic risks also include contingent liabilities and other off balance sheet risks) in addition to the risk levels that the company considers acceptable according to the Corporate Governance Standards and the measures contemplated for mitigating the impact of the identified risks.
- Inform the Board of Directors of the tax policies applied by the company and, for operations or matters that must be approved by the Board of Directors, of the fiscal consequences when they constitute a relevant risk factor.

E.3 Indicate the principal risks, including tax-related risks, that could affect the achievement of the business objectives.

The Risk Control and Management Systems are clearly linked to the process of strategically planning and goal-setting at the Company. In 2015, the Company had already achieved the objectives set out in the 2013-2015 Business Plan. Consequently, a very brief summary is given below of the main risks that could affect the achievement of the objectives of the new 2015-2017 Business Plan, which underwent monitoring in 2015.

- Risks that could affect the objective of "**Solid competitive positioning. Profiting from opportunities for growth in emerging and mature markets**":
  - Exchange rate risk.
  - Country risk.
  - Tax-related risks.
  - Consolidation of the sector and competition (wind turbines, operation and maintenance services).

- Risks that could impact the objective of **"Balance control. Maintaining balance soundness**":
  Relevant matters in the activity that could cause asset deterioration.

- Risks that could affect the objective of **"Competitiveness of the portfolio of products and services. Working on the competitiveness of the portfolio of products and services, improving positioning in mature markets**":
  - Competitiveness of the portfolio of products and services: optimization of the launch curve and return on investment in terms of Cost of Energy (CoE) and the contribution margin of new developments.
  - Added-value product developments.

- Risks that could affect the objective of **"Growth beyond 2017**":
  - Continual analysis of the environment and new opportunities: *onshore*, *offshore*, new businesses.
  - Offshore business development (tracking of the balance control objective).

- Risks that could affect "**Health and Safety**":
  - Safety and ergonomic risks.
  - Improvement of comprehensive operational risk management (process and product).

Additionally, other risks were also monitored. These risks while not directly affecting the achievement of business objectives, nevertheless comprised priority areas for Gamesa, including: Environmental and climate change care, risks related with "information system environments such as cyber-attacks and system continuity", and other risks related with Corporate Social Responsibility (CSR), e.g., risks affecting the CSR of the supply chain.

E.4 Identify whether the entity has a risk tolerance level, including tax-related risks.

The Risk Management and Control Procedure approved and incorporated in the certified management system in 2008 and updated in 2011, identifies, assesses, prioritizes, controls and manages the risks to which GAMESA CORPORACIÓN TECNOLÓGICA, S.A. is exposed, and decides to what extent such specific risks are acceptable, mitigated, transferred or prevented.

Once the risks have been identified in accordance with the above, the risk proprietors or their delegated parties, supported by the Risk Control Department (BRC) and other support roles, assess these risks with a view to ascertaining their priority (combination of impact and likelihood) and the treatment that they require (plans that contribute to the mitigation of risks and attainment of the expected earnings).

In this context, GAMESA CORPORACIÓN TECNOLÓGICA, S.A. undertakes a continuous monitoring of the most relevant or significant risks, i.e., risks that could compromise the achievement of the business objectives and affect the economic profitability, financial solvency, corporate reputation, integrity of employees and environment, and compliance with legislation.

At the corporate level (until 2015), the Company fundamentally has 3 forms of establishing risk tolerance levels, which are complementary to one another:

- The Company declares its risk tolerance level through specific policies, which were updated and approved in September 2015, including:
  - General Risk Control and Management Policy
  - Corporate Tax Policy
  - Investment and Financing Policy

- The establishment of objectives or in conformity with strategic regularity for indicators used in monitoring some risks:
  - EBITDA, EBIT, net amount of the business figure, financial expenses, net financial debt, own funds, CAPEX.
  - MW sold (units, type of product/platform, geographical area, etc.), MW in maintenance, contracts signed, quantity and quality of the MW in stock, MW installed in farms, MW in construction.
  - Non-quality costs, target costs, margin of contribution.
  - Frequency index, severity index.

- The use of metrics established in the Risk Control and Management Procedure for assessing the impact according to a series of criteria so that the result, once combined with their likelihood of occurrence, can assess risks as high or moderate when they are considered to exceed the tolerance and thus require mitigation plans.

Following the revision and update of some of the Company policies in September 2015, responsibilities received additional definitions insofar as the risk tolerance levels. Some salient aspects of this revision:

- The Board of Directors approves the specific policies from which the risk levels that the Corporation considers acceptable are derived (risk tolerance criteria) and are aimed at maximizing and protecting the economic value of Gamesa within a controlled variability.

- The Gamesa Executive Committee will define the specific numerical values for the risk limits stated in the specific policies and/or in the annually set objectives and may decide to modify these values and authorize that, exceptionally, they are exceeded, after a report to the Audit and Compliance Committee, taking into account the proposals of the affected divisions.

- The Audit and Compliance Committee ensures that the risk control and management policies identify the risk levels that the company considers acceptable in accordance with its Corporate Governance Standards.

- In accordance with these guidelines, each Group company must approve, in their corresponding governing bodies, the specific risk limits applicable to each one and implement the necessary control mechanisms to ensure compliance with this general policy for risk control and management and the specific limits that affect them.

E.5 Indicate the risks, including tax-related risks, arising during the period.

There was no record in 2015 of material or extraordinary risks aside from those already listed in the Management Report and Annual Financial Statements Report, and, in all cases, without compromising the integrity of the results, strategic objectives or assets.

The circumstances engendering occurrences were inherent to business development and the economic juncture. The mitigation and control systems in the different areas have been operating properly, and the inherent risks did not cause significant incidents in the organization during the last year.

E.6 Explain the response and supervision plans for the main risks of the entity, included tax-related risks.

The following includes the **response and supervision plans** for the most significant risks, whether or not they have arisen.

- Plans for risks that could affect the objective of "**Solid competitive positioning. Profiting from opportunities for growth in emerging and mature markets**":
  - Exchange rate
    - Mechanisms for managing coverage of the risk associated with transactions in the main currencies in which the Company operates.
    - Formalization of the general principles and procedures for exchange rate management.
  - Country Risk
    - Geographic and client diversification.
    - Local supply chains strengthening and/or development.
    - Recurring and occasional steps taken to guarantee the safety and security of persons and assets in the countries where the Company operates and generate security alerts (social, natural, health).
  - Tax-related risks
    - Regular reporting to management and oversight bodies of the Company regarding compliance with good tax practices applied in relation to tax-related risk prevention and concerning Public Tax Authorities.
    - Formalization of the Corporate Tax Policy and improvement in the organizational structure and execution and control processes and procedures.
    - Tax-related risk management: identification of risks per region, and definition and tracking of the actions defined for mitigating said risks.
    - Implementation of a computer tool as a control instrument between tax declarations and their accounting record (direct taxation).
  - Consolidation of the sector and competition
    - Analysis and surveillance of movements in the sector
    - Search for alternatives that maximize the opportunities for Gamesa.

- Plans for risks that could impact the objective of **"Balance control. Maintaining balance soundness**":
  - Continuous monitoring of the cash flow and relevant matters that could cause deterioration of assets. In this regard, the potential deterioration are addressed in the report of the 2015 financial statements.
  - Tracking and control of financial needs and the resulting compliance with *covenants*.

- Plans for risks that could affect the objective of **"Competitiveness of the portfolio of products and services. Working on the competitiveness of the portfolio of products and services, improving positioning in mature markets**":
  - Strict control of compliance with product development plans (time, cost, quality, return on investment).
  - Cost reduction and continuous improvement plan, seeking to improve profitability in terms of Cost of Energy (CoE) and contribution margin.
  - Make/buy decisions and specific projects for components.

- Plans for risks that could affect the objective of **"Growth beyond 2017"**:
  - Regular monitoring by the different areas of the Company on regulatory developments, market aspects, demand, etc.

- Plans for risks that could affect "**Health and Safety**":
  - Development of communications, inspection and training activities for shoring up the Zero Tolerance Policy.
  - "Think Safe": extension of the culture of safety and health to all areas.

The following general supervision and control actions, applied to the significant risks, are prominent:

- Control exercised by business unit and geographical area managers and supervision of the Management Committee with respect to the evolution of the risk maps and mitigation plans.

- Reports to the Audit and Compliance Committee regarding the evolution of the corporate risk map, and individually for significant risks.

- Internal audits of significant risks and communication of the corresponding reports to the Management Committee and the Audit and Compliance Committee.

Appearance by the directors before the Audit and Compliance Committee throughout 2015 focused on the supervision of specific risk control systems and significant risks: finance-related (accounts receivable, cash flow), balance-related, sales guide coverage, service business unit, tax-related, legal, crime/fraud and exchange rates.

F INTERNAL CONTROL AND RISK MANAGEMENT SYSTEMS RELATED TO THE PROCESS FOR ISSUING FINANCIAL INFORMATION (FIICS)

Describes the mechanisms that make up the internal control and Risk Management Systems related to the process for issuing the financial information (FIICS) of the entity.

F.1 Entity control setting

A report indicating the main features of at least the following:

F.1.1. Which bodies and/or functions are responsible for: (i) the existence and maintenance of an adequate and effective FIICS; (ii) its implementation; and (iii) its supervision.

In accordance with the Bylaws of the Company, the Board of Directors shall be responsible specifically for drawing up the financial statements and the management report which correspond to both the Company and its consolidated Group, proposal for the application of results, and overseeing and approving the regular financial information that should be made public in the company's condition as a publicly traded company.

Within this framework, the ultimate responsibility therefore corresponds to the Gamesa Board of Directors for guaranteeing the existence and maintenance of an adequate FIICS, the supervision of which, in accordance with the competences established in the Regulations of the Board of Directors and in the Regulations of the Audit and Compliance Committee, are delegated to it; and which also makes the design, implementation and maintenance of which the responsibility of the Group's Management, through its Management Control Department and Financial Department.

At the same time, the function of Internal Audit and Business Risk Control, in support of the Audit and Compliance Committee, is to promote the control of reliability of financial information through its direct access to said Committee as well as the fulfillment of its annual work plans.

The Regulations of the Audit and Compliance Committee sets forth the supervision of the Internal Control System and Risk Management System as a competence within its scope, as well as the analysis in collaboration with external account auditors of significant weaknesses detected in internal control, if any, during the execution of the audit and the supervision of the procedure for preparing and submitting regulated financial information.

Particularly salient during 2015 and within the framework of the continuous improvement process of the control model for financial information, is the creation of the Internal Financial Information Control Unit, which reports directly to the Finance Division and is entrusted with the following duties:

- Ensure a centralized administration of the system enabling harmonized operations and supervision throughout the group.
- Define system methodology and criteria.
- Guarantee the maintenance, tracking and improvement of the system.
- Document and update the main aspects regarding the maintenance and improvement of the FIICS.

F.1.2. If they exist, especially regarding the process for drawing up financial information, the following elements:

- Departments and/or mechanisms responsible: (i) for the design and review of the organizational structure; (ii) for clearly defining the lines of responsibility and authority, adequately delegating tasks and functions; and (iii) for ensuring that sufficient procedures are in place for correct dissemination within the entity.

Regarding the definition of the organizational structure, the Regulations of the Board of Directors establish that the Appointments Committee must report to the Board of Directors regarding the proposals for appointment and dismissal of Senior Management, and the Remuneration Committee must report, prior to their approval by the Board, regarding their remuneration conditions and terms and conditions of their employment contracts.

The Management Committee of the Group is responsible for defining, designing and revising the organizational structure. It also assigns functions and tasks, guarantees adequate separation of functions and ensures that the areas of the different departments are coordinated in order to meet the Company objectives.

Furthermore, the Human Resources Division is responsible for supervising the Company organizational design and ensuring its homogeneity between the different geographical areas. The Communications Division is responsible for communicating changes related to organization through the corporate intranet.

The Human Resources Division also maintains and publishes the detailed organizational chart of the Company on the corporate intranet through the Who's Who? service. This tool is the interactive directory of the Company that is used to encourage and facilitate communication between employees and make the organizational structure more accessible. The tool also ensures access to updated information used to locate and physically and functionally identify workers.

In particular and referring to the internal control model regarding financial information, an organizational structure has been framed and defined with sufficient resources for proper operation thereof with centralized guidelines that are controlled and supervised at a central level at the group, but with local implementation in each region to expand processes considered to be key for the Company in depth.

To ensure that the model works properly at the regional and corporate levels, the organization contemplates professionals having different roles and profiles in the capacity of:

- FIICS Managers
- Process risk managers
- Control activity executors and supervisors

This is therefore a shared responsibility developed at the regional and general group levels for which, in case of discrepancies, a Committee has been created as a regulator.

- Code of Conduct, approving body, level of dissemination and instruction, principles and values included (indicating if there is specific mention of the record of operations and drawing up of financial information), body responsible for analyzing breaches and proposing corrective actions and penalties.

The purpose of Gamesa's Code of Conduct, approved by its Board of Directors, is to consolidate a universally accepted form of business ethics and to formally and expressly set forth the values, principles, attitudes and standards governing the conduct of the companies which make up the Group and the people subject to this Code during the fulfillment of their functions and in their work, commercial and professional relationships.

Gamesa disseminates and provides all of its employees with the Code of Conduct, available in several languages, either delivering a copy thereof or posting it on the Shareholders and Investors section of its external website and the company's intranet, though any other means of communication defined by the Board of Directors remain possible when applicable.

Specifically and among the principles and values included in the Code, general conduct standard 3.10 expressly states that the information provided to the shareholders will be truthful, complete and adequately reflect the situation of the Gamesa Group.

Also, general conduct standard 3.23 of the aforementioned Code expressly indicates that "the economic-financial information of GAMESA and the companies which make up the GAMESA Group - in particular, the financial statements - is a faithful reflection of its economic, financial and equity-related reality, in accordance with generally accepted accounting principles and applicable international standards on financial reporting. For these purposes, no affected individual shall hide or distort the information in the records and accounting reports of GAMESA which shall be complete, accurate and truthful."

The Ethics and Compliance Division is a unit that functionally reports to the Audit and Compliance Committee. It is responsible for, among other aspects and regarding the Code of Conduct, its revision, regular update, resolution of concerns that may arise and reception of any questions or complaints regarding unethical actions, actions lacking in integrity or against the included principles.

In addition, Article 3.24 of the Code of Conduct also expressly refers to the principles and values concerning risk management in connection with the general risk management and control policy, and establishes that all affected people, within the scope of their functions, must act proactively in a culture of risk prevention. It also specifies and details the corresponding principles for action.

- Complaint channel, for notifying the audit committee of financial or accounting-related irregularities, in addition to possible noncompliance with the Code of Conduct and illegal activities in the organization, informing whether these are of a confidential nature, when applicable.

According to the Code of Conduct and Article 10.g of the Regulations of the Audit and Compliance Committee regarding the functions of this Committee insofar as Corporate Governance, Gamesa has created the Complaint Channel as a mechanism enabling employees to confidentially report significant irregularities, inter alias and as expressly indicated thereby, those related to finance and accounting detected within the company.

The Audit and Compliance Committee is responsible for establishing and supervising the Complaint Channel through the Ethics and Compliance Division, which Gamesa manages according to the conditions and powers set forth in the written procedure regulating the "Complaint Channel Operating Rules" as part of the internal regulations, which set out its operation and conditions for use, access, scope and other aspects.

In accordance with our internal regulations, a function of the Ethics and Compliance Division as regards the Code of Conduct/Complaint Channel is to evaluate the level of compliance with the Code of Conduct and draw up a report on it to be submitted to the Audit and Compliance Committee and to report suggestions, questions, proposals and non-compliance.

Upon receipt of a written complaint with a series of requirements and minimum content, the Ethics and Compliance Division decides whether to process or file the complaint.

Should signs of a potential infringement of the Code of Conduct appear, a case file will be processed confidentially and may initiate as many actions as may be required, especially interviews with the people involved and witnesses or third parties considered capable of providing useful information. Other roles within the Company may be called on, as appropriate, to provide assistance.

Having processed the complaint, the Ethics and Compliance Division will draw up a report, establishing predefined deadlines for the conclusion thereof, content and method of communication.

The Human Resources Division establishes the pertinent disciplinary measures for Code of Conduct infringement cases that should in any case be equitable to the severity of said infringements.

If upon processing the disciplinary proceeding and drafting the report, the Ethics and Compliance Division concludes that signs of illegal conduct exist, the competent legal or administrative authorities will be notified.

- Periodical training programs and updates for personnel involved in drawing up and reviewing financial information, and assessing the FIICS, that shall at least include accounting standards, auditing, internal control and risk management.

Gamesa has global procedures and processes for contracting personnel to identify and define all milestones of the selection and contracting process used to guarantee that new employees are qualified to undertake the responsibilities associated with the position.

The management of its employees' knowledge through the required detection, retention and development of talent and knowledge, along with ensuring its correct transmission, is a main line of action for Gamesa.

In this context, the main tool for determining and detecting training needs are the performance assessments given to Company employees each year. This process is led by the Human Resources Division and, once concluded, is used as the base for designing the annual training catalogs. The Human Resources Division, in collaboration with the Company Training Center, is responsible for monitoring the training provided.

Personnel directly and indirectly responsible for actions related to the financial and accounting scope have been the object of previously outlined selection and contracting processes. Their training needs are also based on their annual performance evaluations. In this context, there is the necessary and opportune professional qualification both in the applicable accounting standards and in the principles concerning internal control.

An extensive training program was deployed during 2015 with a view to automating the model at the Corporate level and in each individual geographic area. This training covered topics addressing the theoretical FIICS model and Gamesa's FIICS model, its organization and structure, and the use and operation of the IT platform supporting the automation thereof.

F.2 Risk assessment of financial information

A report including at least the following:

F.2.1. What are the main characteristics of the risk identification process, including error or fraud, regarding:

- Whether the process exists and is documented.

As mentioned further below, there is a model for identifying the effects of the different risk types. However and, in particular, regarding financial information, an internal control model is applied with a top-down approach of risk identification based on the most significant accounts in the financial statements and considering parameters related to impact, probability, characteristics of the accounts and the business process.

The risk assessment process considers quantitative aspects such as the percentage represented at an aggregate level by the individual company/account regarding assets, sales, income and other qualitative parameters.

The qualitative risk factors consider aspects related to:

- Characteristics of the account: Volume of transactions, required judgment, complexity of the accounting principle, external conditions.

- Characteristics of the process: Complexity of the process, centralization vs. decentralization, automation, third-party interaction, experience/maturity of the process.

- Risk of fraud: Degree of estimation and judgment, common schemes and frauds in the sector/market in which it operates, geographic regions, unusual and complex transactions, type of automation, urgent transactions, relationship to compensation systems.

- Whether the process covers the whole of financial information-related objectives (existence and occurrence; integrity; assessment; presentation; itemization and comparability; and rights and obligations), whether it is updated and how frequently.

  In the previous context, and in the case of the processes associated with the economic-financial information, the process has focused on analyzing the events that could affect the objectives of financial information related to:

  - Integrity
  - Validity
  - Appraisal
  - Cut
  - Registration
  - Presentation and breakdown

  The risk assessment model for attaining objectives linked to the reliability of financial information systematically and objectively identifies the critical risks and processes of an annual nature.

- The existence of a process for identifying the consolidation perimeter, taking into account, among other aspects, the possible existence of complex corporate structures or special purpose entities.

As per the recommendations of the Unified Code of Good Governance of the Board Directors in Article 7 of its Regulations, the authority is established to approve the creation or acquisition of shares in special purpose companies or companies that are domiciled in countries or territories that are, under current legislation, considered tax havens.

Moreover, and in this context, the Group's corporate tax policy indicates that Gamesa, in carrying out its activities, will attend to the principles of an ordered and diligent tax policy embodied in the commitment to:

- Avoid the use of artificial and/or obscure structures for tax purposes, understanding that the latter are intended to prevent understanding, on the part of the Tax Administration personnel, of the final responsibility for the activities or the last owner of the property rights involved.
- Refrain from constituting or acquiring companies residing in tax havens with the aim of evading tax obligations.

The Group, through the Companies List drawn up by Legal Counsel, also maintains a continuously updated record that collects all Group holdings, whatever their nature, whether direct or indirect, including, as applicable, both instrumental and special purpose companies. This list of companies which constitute the Gamesa Group is accessible to personnel of the Group in the internal network (intranet).

For the purpose of identifying the scope of consolidation, in accordance with the criteria contemplated in international accounting legislation, the mentioned list is subject to conciliation with the master file of companies subject to responsibility of consolidation of the Group's consolidation unit.

In this context, the consolidation perimeter identification subprocess was created in the established financial information internal control system as part of the priority consolidation process.

- Whether the process takes into account the effects of other types of risks (operational, technological, financial, legal, tax-related, reputational, environmental, etc.) insofar as they have an impact on the financial statements.

Gamesa has incorporated a risk identification process based on the COSO method that, in accordance with the general risk control and management policy approved by the Board of Directors (most recently updated in September 2015) is considered to be in line with the "Business Risk Model-BRM" model insofar as the four risk categories that each in turn group other sub-categories:

- Corporate governance, ethics and compliance risks.

- Strategic risks and risks related to regulations, credit, market, business, tax, competition, country, strategy, etc.

- Process-related risks (operational, reputational)

- Risks associated with information for making decisions or legal requirements.

The applied methodology is embodied as a regularly updated risk map (normally every six months).

- What governing body of the entity oversees the process.

The process is ultimately supervised by the Audit and Compliance Committee with the support of the Internal Audit Division to undertake its duties.

F.3 **Control activities**

A report indicating its main characteristics, if it has at least the following:

F.3.1. Procedures for review and authorization of financial information and a description of the FIICS to be published in the stock market, indicating the responsible parties, and including descriptive documentation on flows of activities and controls (including those related to the risk of fraud) of different types of transactions which may have a material effect on the financial statements, including the accounting close process and a specific review of relevant judgments, estimates, assessments and projections.

The Board of Directors is the highest body in charge of overseeing and approving the financial statements of the Group.

The Group sends quarterly information to the stock market. This information is prepared by the Management Control and Finance Divisions, who conduct a series of control activities during the accounting closure to ensure reliability of the financial information.

The Corporate Management Control Area and the consolidation and accounting area, integrated in the Finance Division, consolidate all the financial information of Gamesa Corporación Tecnológica, S.A. and the companies integrated in the Group.

The financial statements of the Group have the following review levels:

- Review of the Management Control Division.
- Review of the Finance Division.
- Review of the Auditing Committee.
- Approval of the Board of Directors (biannually and annually).

Moreover, the financial statements and interim financial statements summarized biannually are subject to auditing and limited review, respectively, by the external account auditor.

Likewise, the financial statements submitted previously to the Board of Directors for formulation are previously certified by professionals responsible for consolidation and the Finance Division.

The financial statements are drawn up based on a reporting calendar and deadlines that are known to all participants in the process, considering the legally established terms.

The control activities designed to cover the previously identified risks, as mentioned in the previous chapter, are performed both at the Division level in a Corporate environment and at the level of each business unit from a more operational and specific point of view by identifying the relevant processes and subprocesses.

The control activities of particular relevance are understood to be related to the following aspects:

- Earnings recognition, degree of progress and collection.
- Capitalization of promotion expenses.
- Provision for guarantees.
- Activation of research and development expenses.
- Material assets.
- Coverage management.
- Purchasing.
- Consolidation

As mentioned above, the new automated financial information control model was partially launched on 1 April 2015. This period enabled the organization to adapt to the cultural change and suitability of the regular self-assessments regarding the control activities for each process conducted by the executors and confirmed by their supervisors.

Likewise, implementation of a software tool for automating the Gamesa FIICS model entailed:

- Simplifying the management of the model in a unique, centralized and accessible environment from all geographical areas.
- Providing support to the regular assessments of control activities.
- Enabling knowledge of both the degree of progress of the evaluations and the results thereof.
- Streamlining the efforts of users through reminders of pending tasks.
- Enabling online monitoring of action plans and sample planning.

Currently, and in continuation of the continuous improvement to the model, the company is undergoing a process to optimize and adapt its model to the best practices in the sector.

The documentation of the internal financial information control system includes in-depth descriptions of the processes for generating relevant selected financial information and detailed descriptions of the prioritized error risks and controls conceived for the mitigation or management thereof. The description of the controls include substantiation to obtain during execution and in any case necessary for their review.

The established system entails a continuous process to the extent that the process managers draw up, revise and update control activities and procedures in tandem with the Internal Control Unit.

F.3.2. Internal control policies and procedures regarding information systems (including access security, change control, operation thereof, operational continuity and segregation of functions) supporting the entity's relevant processes relating to the preparation and publication of financial information.

Specifically, within the scope of the Gamesa FIICS model, the process of general controls of the Information Systems has been developed. This process has been broken down into different subprocesses, for which various controls have been designed and established.

The designed controls are supported mainly in the applications SAP R3, SAP BPC and BPM.
These subprocesses and their main control activities are:

- Backups: Business continuity as regards the timely recovery of essential business data in the event of a disaster via the duplication of critical infrastructures and periodic backup copies of the information in separate physical locations, and a policy review and control of the integrity of the copies made.

- Security of physical access to the Data Processing Center (CPD): Among other physical control activities, the information technology department restricts access to authorized personnel in different areas where key information elements of the Company are located, and these locations are monitored with the appropriate control and security systems.

- Security of software access, both internal and external: At the software security level, there are the techniques and tools that are defined, configured and implemented that restrict, to only authorized personnel based on their role-duty, access to computer applications and information databases, through procedures and control activities. These include, among others, review of users and assigned roles, encryption of sensitive information, managing and regularly changing access passwords, control of unauthorized downloads of applications, and analysis of identified security incidents.

- Controls relating to the maintenance and implementation of computer applications: Among others, the following are defined and implemented: request and approval processes at the appropriate level of new computer applications, definition of versioning policies and maintenance of existing applications and their associated action plans, definition of the various plans for implementation and application migration, validation and monitoring of changes in the evolution of applications and risk management through separate environments for operation, testing and simulation.

- Controls regarding the segregation of duties: Approved segregation of duties matrix, according to which different roles are assigned to users based on the identified needs, without allowing exceptions. Periodic review and approval of the various roles assigned, as well as reassignments, updates, user deletion, verification of infrequent or unused users, etc.

F.3.3. Internal control policies and procedures for monitoring the managing activities subcontracted to third parties, and aspects related to the evaluation, calculation or appraisal entrusted to independent experts that may have a material effect on the financial statements.

In general, Gamesa does not outsource any activity considered to be relevant and/or significant that could materially affect financial information.

In any case, the aforementioned outsourced activities are mainly different administrative processes in offices and small subsidiaries supported by a service contract that clearly indicates the service provided and the means that the supplier, a high-level external professional, will use to provide the services; reasonably ensuring technical training, independence and competence of the subcontracted party.
Likewise, there is an internal procedure for contracting services that establishes the requirement for certain levels of approval depending on the amount in question.

The Gamesa FIICS model identifies control activities in which the valuation of a third party is required. In this regard, outsourced activities have been identified mainly relating to the appraisal of derivatives, legal aspects, assets and payments based on shares.

These services are commissioned by the managers of the corresponding areas, reasonably ensuring the competence and technical and legal training of the subcontracted parties, reviewing as applicable the assessments, calculations or appraisals performed by external agents.

F.4 Information and communication

A report indicating its main characteristics, if it has at least the following:

F.4.1. A specific function responsible for defining and updating accounting policies (area or department of accounting policies) and resolving questions or disputes regarding their interpretation, maintaining fluid communication with those responsible for operations in the organization, as well as an accounting policy manual updated and communicated to the units through which the entity operates.

The functions of the Finance and Management Control Divisions include identifying, defining, updating and communicating the accounting policies that affect Gamesa, and responding to accounting inquiries raised either by subsidiaries or different geographical areas and business units. In this context, it maintains a close and smooth relationship with the management control areas of the various geographical areas and business units.

Additionally, the above divisions are responsible for reporting to the Management Committee and/or any other appropriate body regarding specific aspects of accounting standards, the results of their application and their impact on the financial statements.

On those occasions on which the application of accounting standards is particularly complex, the conclusion of the accounting analysis undertaken is communicated to the External Auditors, requesting their position on the conclusion that was reached.

The accounting policies applied by the Group are broken down into the financial statements and are consistent with those applicable under current regulations.

The Consolidation Division, incorporated in the General Finance Division, oversees the adoption of new or reviewed standards of the International Financial Reporting Standards (IFRS) and those regulations, amendments and interpretations that have not yet entered into force.

F.4.2. Mechanisms for capturing and preparing the financial information using standardized formats, applicable to and to be used by all the units of the entity or Group, which support the main financial statements and their notes, as well as the information detailed on the FIICS.

The process for consolidating and preparing the financial information is centralized. In this process the inputs are the financial statements reported by the Group's subsidiaries in the established formats, as well as the rest of the financial information required for both harmonizing the accounting process and to covering the established information needs.

The Gamesa Group has implemented a software tool that collects individual financial statements and facilitates the process of consolidation and preparation of financial information. This tool allows centralizing all information resulting from the accounting of individual companies of the Group into a single system.

In this context, the Accounting and Consolidation Division establishes, in a centralized manner, a quarterly, biannual and annual closure plan which distributes to all of the groups and subgroups the appropriate instructions regarding the scope of the work required, key reporting dates of standard documentation to send, and deadlines for reception and communication. The instructions include, among other aspects, a reporting/consolidation package sent to Corporate, preliminary closure, inter-company billing, physical inventories, confirmation and inter-group balance reconciliations, final closure and pending matters.

The content of the aforementioned reporting is reviewed regularly in order to respond to the appropriate requirements for breakdown in the financial statements.

F.5 Monitoring the operation of the system

A report indicating its main characteristics, of at least the following:

F.5.1. Activities related to supervision of the FIICS carried out by the audit committee, and whether the entity has an internal audit function that includes, among its capacities, support to the committee in its task of overseeing the internal control system, including the FIICS. It will also report the scope of the FIICS assessment conducted during the fiscal year and the procedure whereby the person responsible for the assessment communicates the results, whether the entity has an action plan detailing possible corrective measures, and whether its impact on financial information has been considered.

There is fluid communication between the Audit and Compliance Committee, Senior Management, Internal Audit Director and External Auditors for the purpose of having the available information needed to perform their functions relating to the responsibility of monitoring the FIICS.

Specifically, regarding FIICS monitoring activities undertaken by the Audit and Compliance Committee during the year, it has performed, among others, the following activities:

- It has reviewed the Group's financial statements and the periodical, quarterly and biannual financial information, which the Board of Directors must provide to the markets and their supervisory bodies, monitoring compliance with legal requirements and the correct application in their elaboration of the generally accepted accounting principles.

- In the supervisory work of the Internal Audit Department, the yearly audit plan has been approved.

- It has analyzed the audit plan of the External Auditors, which includes the auditing objectives based on the risk assessment of financial information, as well as the main areas of interest or significant transactions reviewed in the year.

- The detected weaknesses of internal control have been reviewed with the External Auditors and Internal Audit, where appropriate, in the performance of the different auditing and review tasks.

Gamesa has an Internal Audit Department, one of the competencies of which is to support the Committee in its supervisory work of the internal control system. In order to ensure its independence, the role of Internal Audit is hierarchically dependent on the Board of Directors and, on its behalf, on its Chairman, and functionally on the Committee, reporting the proposals on the election, appointment, re-election and removal of the head of the Internal Audit service.

With the aim of enabling this supervision of the internal control system, the Internal Audit services tend to the requirements of the Committee in the exercise of its functions, participating on a regular basis and as required in the Audit and Compliance Committee sessions.

The function of Internal Audit during the year has drawn up and presented, to the Audit and Compliance Committee, the corporate risk map of the Company, which contains the most critical areas of risk. This map is elaborated for the different business units and geographic locations, and at the global level, including those risks of a financial and fraud-related nature.

Additionally, the function of Internal Audit performs analytical review procedures in each of the monthly closures of the consolidated financial statements, which involves, among other aspects, analysis of variations, unusual transactions, overall calculations, etc.

By establishing foundations during 2015 of the new model and the automation of the FIICS, the function of Internal Audit has drawn up a review plan included in its 2016 Annual Audit Plan that comprises a re-orientation of one part of its activities tending to continue improving the security of the implemented system.

In addition, there are meetings between the Audit and Compliance Committee and the External Auditors for queries related to important issues or when an area of generally accepted accounting principles is not clearly defined.

F.5.2. When having a discussion procedure whereby the auditor (in accordance with the provisions of the NTA), the internal audit function and other experts inform senior management and the audit committee or company officers of significant internal control weaknesses identified during the annual accounts review processes, or others which may have been entrusted to them. Likewise, information will be provided as to the availability of an action plan for correction or mitigation of the observed weaknesses.

The Audit and Compliance Committee holds meeting at the close of the semester (every six months) and yearly with external auditors, internal auditors and the division responsible for drawing up financial information with a view to commenting on relevant aspects and, as the case may be, discussing significant weaknesses identified in internal control.
In particular and at least once yearly, external auditors will appear in the Audit and Compliance Committee session to present their internal control related recommendations identified when examining the financial statements.

During 2015, account auditors have reported no significant internal control weaknesses.

F.6 **Other relevant information**

There is no other information relevant to FIICS that has not been included in this report.

F.7 **Report of the external auditor**

Report of:

F.7.1. Whether the FIICS information supplied to the markets has been reviewed by the external auditor, in which case the entity should include the report as an annex. Otherwise, it should report the reasons.

Gamesa has requested an external auditor to issue a report on the review of the information described by the Company in the present FIICS report for 2015.

G DEGREE OF COMPLIANCE WITH THE RECOMMENDATIONS OF CORPORATE GOVERNANCE

Indicates the degree of compliance by the Company with respect to the recommendations of the Good Governance Code of issued companies.

In the event that any recommendation is not followed or is partially followed, a detailed explanation of the reasons should be included so that shareholders, investors and the market in general have sufficient information to evaluate the behavior of the Company. General explanations will not be acceptable.

1. **The bylaws of listed companies do not limit the maximum number of votes that can be cast by a single shareholder, nor impose other restrictions to obstruct the takeover of the Company through the purchase of shares on the market.**

Comply X Explain □

2. **When the parent company and a subsidiary are listed, both clearly and publicly define:**

   a) **Their respective areas of activity and possible business relations between them, as well as relations between the listed subsidiary and other Group companies;**

   b) **The mechanisms in place to resolve possible conflicts of interest that could arise.**

Comply □ Partially Comply □ Explain □ Non applicable X

3. **During the ordinary shareholders meeting, in addition to a written dissemination of the annual corporate governance report, the chairman of the board of directors verbally apprises shareholders, with sufficient details, of the most relevant corporate governance aspects of the company and, in particular:**

   a) **Changes made since the previous ordinary general shareholders meeting.**

   b) **Reasons for which the company failed to follow any of the recommendations in the Code of Good Governance and the alternative rules, if any, that may apply in this regard.**

Comply X Partially Comply □ Explain □

4. **The company defines and promotes a communication and contact policy with shareholders, institutional investors and voting advisers in fully adherence to the rules and regulations in place regarding market abuse, and treats shareholders of the same class equally.**

   The company also makes said policy public on its website, includes information regarding how the policy is put into practice and identifies the points of contact or persons responsible for discharging such duties.

Comply X Partially Comply □ Explain □

5. **The board of directors does not pass proposals onto the General Shareholders Meeting for delegating powers to issue shares or convertible securities with exclusions on first refusal rights at amounts over 20% the capital at the moment of delegation.**

   When the board of directors approves any issue of shares or convertible securities with the exclusion of first-refusal rights, the company immediately posts the reports on said exclusion on its website with reference to the pertinent commerce legislation.

Comply X Partially Comply □ Explain □

6. **The listed companies drawing up the reports cited below, whether voluntarily or as mandatory duties, also make them public on their websites with good time in advance of the ordinary general shareholders meeting, even though such dissemination may not be mandatory:**

   a) **Report on the independence of the auditor.**

   b) **Operating reports on the audit, appointments and remuneration committees.**

   c) **Audit committee report on related party transactions.**

   d) **Report on the corporate social responsibility policy.**

Comply X Partially Comply □ Explain □

7. **The company should stream a live feed of the general shareholders meeting on its website.**

Comply X Explain □

8. **The audit commission ensures that the board of directors presents the accounts to the general shareholders meeting without limitations or reservations in the audit report and, in the exceptional circumstance of reservations, both the chairman of the audit committee and auditors shall clearly explain the content and scope of said limitations or reservations.**

Comply X Partially Comply □ Explain □

9. The company permanently publishes on its website the requirements and procedures that it will accept to accredit the shareholder, right to attend the general shareholders meeting and the exercise or delegation of voting rights.

These requirements and procedures favor the attendance and exercise of the rights of shareholders, and are applied with no discrimination.

Comply X   Partially Comply □   Explain □

10. When a legitimately accredited shareholder has exercised, before the general shareholders meeting, the right to add items to the agenda or present new proposals for resolution, the company shall:

a) Immediately disseminate the additional points and new proposals for resolution.

b) Make the attendance card model or delegation of remote voting forms public, with the specific modifications so that the new items on the agenda and the alternative proposed resolutions may be voted on in the same terms as the ones proposed by the board of directors.

c) Subject all these items or alternative proposals to a vote and apply the same voting rules as the ones formulated by the board of directors, including in particular the assumptions or deductions regarding the meaning of the vote.

d) Following the general shareholders meeting, communicate the breakdown of the vote on the additional items and proposed alternatives.

Comply □   Partially Comply X   Explain □   Non applicable □

Explanation:

The Company's Internal Rules and Regulations complies with sections a), b) and d) of the Recommendation, though regarding section c), article 31.7 of the Regulations of the General Shareholders Meeting of the GAMESA CORPORACIÓN TECNOLÓGICA, S.A. states that the system for determining the meaning of the vote establishes a different deduction system for voting proposals from the Board of Directors regarding items included on the Agenda than for voting on proposals for resolution regarding matters not contemplated in the Agenda or formulated by the Board of Directors.

11. When the company intends to pay premiums for attending the general shareholders meeting, the general policy on said premiums must be established in advance and be stable.

Comply □   Partially Comply □   Explain □   Non applicable X

12. The board of directors carries out its duties with a consistent unity of purpose and independence of criteria, treating all shareholders in the same position equally and as guided by the interests of the company, namely obtaining profitable and sustainable long-term returns, promoting continuity and maximizing the economic value of the company.

And, for the sake of company interests, in observance of the pertinent laws and regulations, and through a conduct based on good faith, ethics and respect insofar as the uses and widely accepted good practices, it shall attempt to reconcile business interests with, where pertinent, the legitimate interests of its employees, providers, clients and those of stakeholders who may be affected in the community as a whole and in the environment.

Comply X Partially Comply □ Explain □

13. The board of directors has an appropriate size to achieve effectiveness and participation, ideally between five and fifteen members.

Comply X Explain □

14. The board of directors approves a director selection policy that:

a) Is concrete and verifiable

b) Ensures that appointment or re-election proposals are based on a prior examination of the needs of the board of directors

c) Favors the diversity of knowledge, experience and gender

The results of the initial analysis of the needs of the board of directors are included in the substantiating report of the appointments committee, published when calling to convene the general shareholders meeting at which the ratification, appointment or re-election of each director will be carried out.

The director selection policy promotes attainment of the target to have the number of female directors represent at least 30% of the total members of the board of directors by the year 2020.

The appointments committee shall conduct a yearly verification of compliance with the director selection policy, reporting thereon in the annual corporate governance report.

Comply X Partially Comply □ Explain □

15. Proprietary and independent directors constitute a large majority of the board of directors and the number of executive directors is the minimum necessary, taking into consideration the complexity of the corporate group and the ownership interests of the executive directors in the capital of the Company.

Comply X Partially Comply □ Explain □

16. The percentage of proprietary directors among the total of non-executive directors should be no greater than the existing proportion between the capital of the company represented by said directors and the remaining capital.

This criterion may be attenuated:

a) In companies with high capitalization where there are few equity stakes that attain the legal threshold for significant shareholdings.

b) In companies that have a plurality of unrelated shareholders represented on the board of directors.

Comply X Explain □

17. The number of independent directors represents at least half of all Board members.

However, when the company is not a high cap entity or, even if being one, it has a single shareholder or several shareholders acting jointly and controlling over 30% of the share capital, the number of independent directors shall represent at least one third of the total number of directors.

Comply X Explain □

18. Companies make public through their websites and regularly update the following information on their directors:

a) Professional and biographical profile

b) Other boards of directors to which they pertain, regardless of whether they are listed companies or not, and all other remunerated activities regardless of their nature.

c) Indication of the director's category, particularly indicating the represented or related shareholder for proprietary directors.

d) Date of first appointment as director in the company, and the subsequent re-elections. e) Shares held in the company and options thereon of which the director holds.

Comply X Partially Comply □ Explain □

19. The annual corporate governance report, upon verification thereof by the appointments committee, explains the reasons for appointing proprietary directors at the request of shareholders whose shareholding is less than 3% of the capital; and, if necessary, the reasons for not having accommodated formal requests for presence on the board representing shareholders whose equity stake is equal to or greater than that of others at whose request proprietary directors were appointed.

Comply □ Partially Comply □ Explain □ Non applicable X

20. Proprietary directors resign when the shareholder they represent transfers its entire shareholding. And they also do so, in the appropriate number, when such shareholder reduces its stake to a level that requires a reduction in the number of proprietary directors.

Comply X Partially Comply □ Explain □ Non applicable □

21. The Board of Directors does not propose the removal of independent directors before the expiry of the period for which they were nominated, except where just cause is found by the board of directors, based on the report of the appointments committee. In particular, the existence of just cause will be construed when directors move onto new posts or undertakes new contractual obligations that would hinder them insofar as the necessary time for dedication to the discharge of functions and duties inherent to the post of director, or engender situations that would cause them to lose their status as independent as established in the applicable legislation.

The separation of independent directors may also be put forward as a result of takeover bids, mergers or other similar corporate transactions involving a change in the capital structure of the company when such changes in the structure of the board of director are caused by the proportionality criteria in recommendation 16.

Comply X Explain □

22. The companies establish rules making it mandatory for directors to report and, if necessary, resign in cases that could damage the credibility and reputation of the Company and, in particular, apprise the board of directors of criminal cases in which they are involved as defendants and subsequent developments in proceedings.

Should a director be indicted or a court decision handed down against him or her during a trial for any of the crimes listed in corporate legislation, the board of directors shall examine the case as soon as possible and, in light of the specific circumstances, decides whether or not the director may remain in office. The board of directors shall nevertheless provide a reasoned account of the events in the annual corporate governance report.

Comply X Partially Comply □ Explain □

23. All directors express clear opposition when they feel a proposal submitted to the board of directors may be contrary to the corporate interest. And they also do so, especially independent and other directors unaffected by the potential conflict of interests, when dealing with decisions that could harm shareholders not represented on the board of directors.

And when the board of directors makes significant or repeated decisions about which a director has serious reservations, the latter draws the appropriate conclusions and, if he or she chooses to resign, explains the reasons in the letter to which the following recommendation applies.

This recommendation also applies to the secretary of the board of directors, even though he or she is not a director.

Comply X Partially Comply □ Explain □ Non applicable □

24. When, either by resignation or otherwise, a director leaves office before the end of his or her term, he or she explains the reasons in a letter sent to all members of the board of directors. And, regardless of whether said removal is communicated as a significant event, the reason is explained in the annual corporate governance report.

Comply X Partially Comply □ Explain □ Non applicable □

25. The appointments committee shall ensure that non-executive directors are sufficiently available insofar as the time dedicated to undertaking their duties correctly.

The regulations of the board also establishes the maximum number of company boards on which its directors may sit.

Comply X Partially Comply □ Explain □

26. The board of directors meets as often as necessary to perform its duties efficiently and at least eight times per year, following the schedule of dates and agendas set at the beginning of the year. Each individual director may propose items for the agenda not initially included.

Comply X Partially Comply □ Explain □

27. Director absences are kept to a bare minimum and listed in the annual corporate governance report. When such absences are unavoidable, representation is granted with the corresponding instructions.

Comply X Partially Comply □ Explain □

28. When the directors or the secretary express concerns about some proposal or, in the case of directors, about the Company's performance, and such concerns are not resolved during a meeting of the board of directors, at the request of the person who expressed the concern it will be recorded in the minutes.

Comply X Partially Comply □ Explain □ Not applicable □

29. The company establishes the appropriate channels so that directors can obtain precise advice regarding the discharge of their duties, including, when the circumstances so require, external advice paid for by the company.

Comply X Partially Comply □ Explain □

30. Regardless of the knowledge that directors are required to have to undertake their duties, the companies also provide directors with knowledge refresher programs when circumstances would so advise.

Comply X Explain □ Not applicable □

31. The agenda of the sessions clearly indicates items regarding which the board of directors must reach a resolution or decision so that directors can examine or ascertain, in advance, the information necessary for adoption.

Should the chairman exceptionally seek to submit decisions or agreements not on the agenda to the board of directors for approval, for reasons of urgency, the prior and express consent of the present directors must be secured and record thereof must be made in the minutes of the meeting.

Comply X Partially Comply □ Explain □

32. Directors should be regularly apprised of the transactions in the shareholder group and the opinion that significant shareholders, investors and rating agencies have of the company and its group.

Comply X Partially Comply □ Explain □

33. The chairman, as responsible for the effective operations of the board of directors, in addition to the discharge of duties attributed thereto by law and bylaws, shall prepare and submit a schedule of dates and matters to address to the board of directors; organize and coordinate the regular assessment of the board and, as the case may be, the chief executive officer of the company; be responsible for managing the board and the effectiveness of its operations; ensure that sufficient time is dedicated to discussing strategic matters; and agree and review knowledge refresher programs for each director when the circumstances so advise.

Comply X Partially Comply □ Explain □

34. In addition to the legally corresponding capacities, when there is a coordinating director, the bylaws, regulations of the board of directors attribute the following duties: preside over the board of directors in the absence of the chairman and, where pertinent, vice chairmen; articulate the concerns of non-executive directors; maintain contact with investors and shareholders to ascertain their points of view regarding corporate governance, particularly concerning the company's corporate governance; and coordinating the chairman succession plan.

Comply X Partially Comply □ Explain □ Non applicable □

35. The secretary of the board of directors particularly ensures that the engagements and decisions of the board of directors consider the good governance recommendations contained in this Code of Good Governance that apply to the company.

Comply X Explain □

36. Once yearly, the board of directors in plenary session shall examine and adopt, as the case may be, an action plan for rectifying deficiencies detected in relation to:

a) Operating quality and efficiency of the board of directors

b) Operation and composition of its committees

c) Diversity in the composition and capacities of the board of directors

d) Performance of the chairman of the board of directors and company CEO

e) Performance and contribution of each director, particularly considering the heads of the various committees of the board

Assessments of the different committees shall be based upon the reports that they submit to the board of directors, which will in turn make its assessment based on the report submitted by the appointments committee.

Every three years, the board of directors will receive assistance to conduct the assessment from an external consultant, whose independence shall be verified by the appointments committee.

The business relationships that the consultant or any company of the consultant's group maintains with the company or any company of its group must be broken down in the annual corporate governance report.

The assessed process and areas will be described in the annual corporate governance report.

Comply X Partially Comply □ Explain □

37. When there is an executive committee, the membership structure of the various director categories are similar to that of the board of directors and its secretary shall be the secretary of the board.

Comply X Partially Comply □ Explain □ Non applicable □

38. The board of directors is always apprised of the matters discussed and the decisions made by the executive committee and all members of the board of directors receive copies of the minutes of the meetings of the executive committee.

Comply X Partially Comply □ Explain □ Non applicable □

39. The members of the audit committee, and particularly the chairman thereof, shall be appointed in consideration of their knowledge and experience in accounting, auditing or risk management. The majority of said members shall be independent directors.

Comply X Partially Comply □ Explain □

40. A unit under direct supervision of the audit committee shall assume the internal audit function to ensure that the internal information and control systems work properly, and will functionally report to the non-executive chairman of the board of the audit committee.

Comply X Partially Comply □ Explain □

41. The head of the unit assuming the internal audit function presents its annual work plan to the audit committee; reports to it directly on any incidents arising during its work; and submits a report of activities at the end of each year.

Comply X Partially Comply □ Explain □ Non applicable □

42. In addition to the ones attributed by law, the following duties correspond to the audit committee:

1. With regard to information systems and internal control:

a) Supervise the drawing up process and the integrity of the financial information related to the Company and, where appropriate, to the Group, revising compliance with the regulatory requirements, the proper setting of the consolidation scope and correct application of the accounting criteria.

b) Ensure the independence of the unit assuming the internal audit function; propose the selection, appointment, re-election and resignation of the individual responsible for the internal audit service; propose a budget for this service; approve the orientation and work plans, securing that this activity is primarily focused on the significant risks of the company; receive periodic information on its activities; and verify that Senior Management takes into account the conclusions and recommendations in its reports.

c) Establish and monitor a mechanism whereby staff can report, confidentially and, if possible, anonymously, any irregularities of potential importance, especially financial and accounting irregularities within the Company.

2. With regard to the external auditor:

a) In case of resignation of the external auditor, examine the circumstances that caused it.

b) Ensure that the remuneration of the external auditor does not compromise the quality or independence of the auditor's work.

c) Supervise that the company reports the change of auditor to the CNMV as a significant event, accompanied by a statement of any disagreements arising with the outgoing auditor and, if any, their content.

d) Ensure that the external auditor maintains a yearly meeting with the plenary board of directors to brief it on the work carried out and the progress of the accounting status and company risks. e) Ensure that the company and external auditor observe the valid standards regarding the provision of services other than auditing, limits of concentration of the audit business and, in general, other rules, regulations and standards regarding the independence of auditors.

Comply X Partially Comply □ Explain □

43. The audit committee may call any employee or director of the Company, even ordering their appearance without the presence of any other manager.

Comply X Partially Comply □ Explain □

44. The audit committee should be apprised on the operations of structural and corporate modifications intended for the company so that it can conduct a prior analysis and report to the board of directors regarding the corresponding economic conditions and impact on the accounts, particularly, as the case may be, the proposed exchange ratio.

Comply X Partially Comply □ Explain □ Non applicable □

45. The control and risk management policy identify at least:

a) The different financial and non-financial risk types (including operational, technological, legal, social, environmental, political and reputational) that the company faces, including contingent liability risks and other off-balance sheet risks among the financial and economic risks.

b) The level of risk that the Company considers acceptable.

c) The planned measures to mitigate the impact of identified risks, should they materialize.

d) Information systems and internal control are used to control and manage the above risks, including contingent liabilities and off-balance sheet risks.

Comply X Partially Comply □ Explain □

46. Under direct supervision of the audit committee or, as the case may be, a specialized committee of the board of directors, there is an internal risk control and management function carried out by an internal company unit or department expressly having the following duties:

a) Ensure the proper operations of risk control and management systems and, in particular, that all significant risks affecting the company are identified, managed and quantified.

b) Actively participate in drawing up the risk strategy and taking important decisions regarding the management thereof.

c) Ensure that the risk control and management systems suitably mitigate the risks within the framework of the policy defined by the board of directors.

Comply X Partially Comply □ Explain □

47. The members of the appointments and remuneration committee (or the appointments and remuneration committees when separate) are appointed in view of their adequate knowledge, capacity and experience to carry out their duties, and the majority of the members shall be independent directors.

Comply X Partially Comply □ Explain □

48. High cap companies have an appointments committee and a remuneration committee.

Comply X Explain □ Non applicable □

49. The appointments committee consults the chairman of the board of directors and CEO of the company, especially on matters relating to executive directors.

Any Director may request that the appointments committee consider potential candidates to fill vacancies on the Board, if it finds them suitable.

Comply X Partially Comply □ Explain □

50. The remuneration committee independently carries out its duties, which are, in addition to the duties attributed by law:

a) Propose the basic contract terms and conditions for senior management to the board of directors.

b) Check that the remuneration policy established by the Company is observed.

c) Regularly review the remuneration policy applied to board directors and senior management, including the remuneration systems involving shares and their application, and guarantee that individual remuneration is proportional to the consideration paid to the other directors and senior managers in the company.

d) Ensure that potential conflicts of interest do not harm the independence of external counsel provided to the committee.

e) Verify the information regarding the remuneration to directors and senior managers contained in the different corporate documents, including the annual directors' remuneration report.

Comply X Partially Comply □ Explain □

51. The remuneration committee consults the Chairman and Chief Executive of the Company, especially on matters relating to Executive Directors and Senior Management.

Comply X Partially Comply □ Explain □

52. The composition and operating rules of the oversight and control committees are in the regulations of the board of directors and consistent with the rules and regulations applicable to the committees by law according to the recommendations above, including:

a) They exclusively comprise non-executive directors, with a majority of independent directors.

b) Their Chairmen are independent directors.

c) The board of directors appoints the members of these committees mindful of the knowledge, skills and experience of the directors and the duties of each committee; deliberates insofar as their proposals and reports; and renders accounts of their activity, holding them accountable for their work, during the first session of the board of directors following the respective committee meetings.

d) Committees may seek external advice when considering it necessary to discharge their duties.

e) Minutes shall be kept during their meetings and made available to all directors.

Comply X Partially Comply □ Explain □ Non applicable □

53. Oversight of compliance with the corporate governance rules, internal conduct codes and corporate social responsibility policy is attributed to one or among various committees under the board of directors that could be the audit, appointments or corporate responsibility committees (if existing), or even a specialized committee that the board of directors, in the discharge of its duties of self-organization, decides to create for such a purpose; committees that will have at least the following functions:

a) Oversight of compliance with internal codes of conduct and corporate governance rules of the company.

b) Oversight of the strategy for communication and relations with shareholders and investors, including small- and medium-sized shareholders.

c) Regular assessment of the suitability of the Company's Corporate Governance System to ensure that it complies with its mission to promote the corporate interest and, where pertinent, considers the legitimate interests of all other stakeholders.

d) Revision of the Company's Corporate Social Responsibility policy, ensuring that it targets the creation of value.

e) Tracking of the corporate social responsibility strategy and practices and assessment of its degree of compliance.

f) The oversight and assessment of the processes for relations with the different stakeholders.

g) The assessing of all matters relating to the Company's non-financial risks, including operational, technological, legal, social, environmental, political and reputational risks.

h) Coordination of the non-financial data and diversity reporting process in accordance with the applicable legislation and benchmark international standards.

Comply X Partially Comply □ Explain □

54. The corporate social responsibility policy includes the principles or commitments that the company voluntary assumes in its relationships with the different stakeholders, and identifies at least the following:

a) The corporate social responsibility policy objectives and development of support instruments.

b) The corporate strategy regarding sustainability, the environment and social matters.

c) The specific practices in matters relating to: shareholders, employees, clients, suppliers, social matters, environmental affairs, diversity, tax responsibility, human rights and illegal conduct prevention.

d) The methods or systems for tracking the results from applying the specific practices mentioned in the letter above, associated risks and the management thereof.

e) The non-financial risk, ethics and corporate conduct supervision mechanisms.

f) Channels for communication, participation and dialog with stakeholders.

g) The responsible communication practices that prevent informational tampering and safeguard integrity and honor.

Comply X Partially Comply □ Explain □

55. The company reports on matters related to corporate social responsibility in a separate document or in the management report, and will use any of the internationally accepted methods to do so.

Comply X Partially Comply □ Explain □

56. The remuneration of directors should suffice to attract and retain directors with the desired profile and to compensate them for the dedication, qualifications and responsibilities that the post requires, but not so high as to compromise the independence of criteria of non-executive directors.

Comply X Explain □

57. Executive directors shall have variable remuneration linked to the performance of the company and their personal performance, and remuneration through the delivery of shares, options or rights on shares and instruments referenced to the value of stock, and long-term savings systems such as pension plans, retirement programs or other social welfare systems.

Remuneration to non-executive directors may be made via the delivery of shares when conditioned to be retained until the end of their tenure as directors. The foregoing will not apply to shares that the director needs to dispose to, as the case may be, to satisfy the costs related to their acquisition.

Comply X Partially Comply □ Explain □

58. In case of variable remuneration, compensation policies incorporate limits and technical safeguards to ensure that such remuneration conserves a relation to the professional performance of its beneficiaries and not simply derived from the general progress of the markets or the industry in which the Company participates or other similar circumstances.

And, in particular, the variable components of remuneration:

a) Are linked to measurable performance criteria that are established in advance and contemplate the risk assumed to secure a result.

b) Promote the sustainability of the company and include non-financial criteria appropriate for creating long-term value, namely compliance with the company's internal rules, procedures and policies for risk control and management.

c) Are configured on the basis of a balance between attaining short-, medium- and long-term objectives for rewarding performance for sustained efforts during a period of time sufficing to appreciate the contribution to a sustainable creation of value, so that the elements for measuring this performance are not merely based on singular, occasional or extraordinary events.

Comply X Partially Comply □ Explain □ Non applicable □

59. The payment of one relevant part of the variable components of the remuneration differs for a minimum period of time sufficing to check that the previously established performance conditions have been met.

Comply X Partially Comply □ Explain □ Not applicable □

60. Remuneration related to the profits of the Company take into account any reservations that are stated in the report of the external auditor's findings and that reduce profit.

Comply □ Partially Comply □ Explain □ Non applicable X

61. A relevant percentage of the variable remuneration to executive directors is linked to the delivery of shares or financial instruments referenced to its value.

Comply X Partially Comply □ Explain □ Non applicable □

62. Once the shares or options or rights to shares corresponding to the remuneration systems have been assigned, directors may neither transfer ownership of a number of shares equivalent to twice their annual fixed remuneration nor exercise stock options until a period of at least three years from assignment has elapsed.

The foregoing will not apply to shares that the director needs to dispose to, as the case may be, to satisfy the costs related to their acquisition.

Comply □ Partially Comply □ Explain X Not applicable □

Explanation:

On 23 September 2015, the Board of Directors of GAMESA CORPORACIÓN TECNOLÓGICA, S.A. approved the "Director Remuneration Policy", which includes the possibility that long-term remuneration plans with systems based on delivering shares in the company establish suitable minimum retention periods for the received shares. However, the most recent Long-Term Incentive Plan approved by the 2013 General Meeting, whose measurement period ended on 31 December 2015, does not contemplate a share retention period.

63. The contractual agreements include a clause enabling the company to reclaim reimbursement of the variable components when payment has not been adjusted to the performance conditions or made attending to data whose inaccuracy is only subsequently appreciated.

Comply X Partially Comply □ Explain □ Non applicable □

64. Payments upon termination of the contract do not exceed an established amount equivalent to two years of the total annual remuneration and not settled until after the company has checked that the director has satisfied the previously established performance criteria.

Comply X Partially Comply □ Explain □ Non applicable □

H OTHER INFORMATION OF INTEREST

1. If there is a materially relevant aspect of corporate governance in the Company or Group entities that has not been discussed in other sections of this report, but which it is necessary to include to present more complete and reasoned information on the structure and governance practices in the Company or its Group, explain briefly.

(A.2)

In addition to the information provided in section A.2, the company FIDELITY INTERNATIONAL LIMITED holds a significant stake of 1.104% of the share capital in GAMESA CORPORACIÓN TECNOLÓGICA, S.A.; thus falling within the cases contemplated in article 32 of Royal Decree 1362/2007 of 19 October, implementing the Securities Market Act, regarding the transparency requirements in relation to information about issuers whose securities are admitted to trading on an official secondary market or other regulated market in the European Union (hereinafter referred to as Royal Decree 1362/2007), which indicates that the percentages for considering a holding in stock as significant drops to 1% when the entity with the duty to report resides in a tax haven or country or territory with no taxation, or with which there is no effective exchange of tax information in accordance with the pertinent legislation currently in force.

In addition to the information provided in section A.2, the significant holding of BLACKROCK INC. and FIDELITY INTERNATIONAL LIMITED do not give them voting rights in GAMESA CORPORACIÓN TECNOLÓGICA, S.A., since, firstly, BLAKCROCK, INC. has not communicated its identity as stipulated under article 34 of Royal Decree 1362/2007, declaring that none of its clients possess any holding of at least 3% of the voting rights in GAMESA CORPORACIÓN TECNOLÓGICA, S.A., and secondly, that none of the direct holders included by FIDELITY INTERNATIONAL LIMITED in its communication to the CNMV exceeded the 1% direct holding threshold insofar as the share capital of GAMESA CORPORACIÓN TECNOLÓGICA, S.A.

Regarding the table of significant holding in section A.2, BLACKROCK, INC., at the close of 2015, held 0.166% stock in the capital of GAMESA CORPORACIÓN TECNOLÓGICA, S.A. in voting rights linked to the exercise of financial instruments, as reported to the CNMV.

In addition to the information provided in section A.2, BLACKROCK, INC. informed the CNMV that on 7 January 2016, its percentage of voting rights linked to shares within the share capital of GAMESA CORPORACIÓN TECNOLÓGICA, S.A. was reduced from 3% to 2.917%, and also reported that its percentage of voting rights linked to the exercise of financial instruments varied by 0.281%. Also, BLACKROCK, INC. then reported to the CNMV that on 4 February 2016, its percentage of voting rights linked to shares in the share capital of GAMESA CORPORACIÓN TECNOLÓGICA, S.A. was reduced from 3% to 2.873%, and also reported that its percentage of voting rights linked to the exercise of financial instruments varied by 0.121%.

In addition to the information provided in section A.2, NORGES BANK informed the CNMV that on 15 January 2016 the 3% threshold regarding its percentage of voting rights linked to shares in the share capital GAMESA CORPORACIÓN TECNOLÓGICA, S.A. was surpassed and increased to 3.026%. It also reported that on 16 December 2015, its voting rights linked to the exercise of financial instruments decreased to 0.019%.

Lastly, in addition to the information provided in section A.2, YORK EUROPEAN OPPORTUNITIES INVESTMENTS MASTER FUND L.P. informed the CNMV that it resided in a tax haven and that on 5 February 2016, the 1% threshold for its voting rights linked to shares in the share capital of GAMESA CORPORACIÓN TECNOLÓGICA, S.A. was breached and increased to 1.052%.

(A.3)

To complement the information provided in paragraph A.3 note that Mr. Manuel Moreu Munaiz, member of the Board of Directors of GAMESA CORPORACIÓN TECNOLÓGICA, S.A. until February 17, 2015, holds directly two thousand (2,000) shares of the Company, and also holds indirectly two thousand (2,000) shares of the Company through his wife Ms. María del Carmen Gamazo Trueba.

Likewise, it shall be pointed out that Mr. Ramón Castresana Sánchez, member of the Board of Directors of GAMESA CORPORACIÓN TECNOLÓGICA, S.A. until May 27, 2015, holds two thousand and sixty (2,060) shares of the Company

(A.8)

To complement the information provided in paragraph A.8 note that GAMESA CORPORACIÓN TECNOLÓGICA, S.A. signed an ongoing liquidity contract with Santander Investment Bolsa, as of October 30, 2012, which was submitted to the National Securities Market Commission by Significant Event (number 176071) on October 31, 2012.

Also, the operations during fiscal year 2015 were submitted to the National Securities Market Commission under the same through Significant Events numbers 218,122, 222,458, 224,052, 227,872, 230,436, 231,218 y 234,556.

(B.4)

To complement the information provided in paragraph B.4 note that the electronic voting system was used in the Shareholders' General Meeting for fiscal year 2015 by nine shareholders who were holders of a total of thirty four thousand five hundred and sixty (34,560) shares.

(C.1.2)

To complement the information provided in paragraph C.1.2 note that on December 16, 2015 the Lead Independent Director, Mr. Luis Lada Díaz, was substituted by Mr. José María Aldecoa Sagastasoloa.

(C.1.3)

To complement the information provided in paragraph C.1.3 a brief profile of Executive and External Proprietary Directors is given below:

EXECUTIVE DIRECTORS

Ignacio Martín San Vicente

Born in San Sebastián (Guipúzcoa). He is currently Chairman of the Board of Directors and Chief Executive Officer, and Chairman of the Executive Committee of GAMESA CORPORACIÓN TECNOLÓGICA, S.A.

He holds an Electronic Superior Engineering Degree from the University of Navarra.

Along his professional career he has hold different posts in companies like GKN Automotive International (1987-1998) where he held the post of CEO in the United States and General Director of the Group for America, among others. Likewise he was Deputy General Director to the Chairman of Alcatel España (1998-1999); General Director of Operations in Europe in GKN Automotive Internacional (1999-2001) and Deputy Chairman in CIE Automotive having previously hold the posts of Chief Executive Officer (2002-2010) and Executive Deputy Chairman (2010-2011) in the aforementioned company.

Currently he is Independent Director in Bankoa-Credit Agricole and Higiestime 21, S.L.. Likewise he is Director in the Board of Directors of APD (Asociación para el Progreso de la Dirección) and member of the Strategic Committee of CEIT.

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 Executive Committee, of the Audit and Compliance Committee, of the Appointment Committee and of the 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.

Currently he performs tasks as Director of or as Secretary to the Board of Directors, among other positions, in the following companies: Audiovisual Española 2000, S.A., Construcciones Sarrión, S.L., Rodríguez-Quiroga Abogados, S.L. and member of the Fundación Pro Real Academia de Jurisprudencia y Legislación.

EXTERNAL PROPRIETARY DIRECTORS

Sonsoles Rubio Reinoso

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

She holds a degree in Economics and Business from the Universidad Autónoma of Madrid.

She completed her training as post graduated at ICEA, IESE and Centro de Estudios Financieros. She is also Certified Internal Auditor (Institute of Internal Auditors), Certified Fraud Examiner (Assocation of Certified Fraud Examiners), Certified Compliance&Ethics Professional (Society of Corporate Compliance and Ethics) and Leading Professional in Ethics & Compliance (Ethics & Compliance Initiative).

Sonsoles Rubio is Complaince Chief Officer in Iberdrola, S.A. since January 2013. Her professional career has been performed in the internal audit department of enterprises like Repsol YPF, S.A., Holcim (España), S.A. (1999-2008) and Iberdrola, S.A., company she joined in 2008 as Internal Audit Manager of Renewable Business in Iberdrola, S.A.

She is Member of the Steering Committee of the Instituto de Auditores Internos.

Throughout her career she has published articles and given many talks in national and international conferences.

Francisco Javier Villalba Sánchez

Born in Valencia, he holds the position of member of the Board of Directors, of the Executive Committee and of the Appointments Committee of GAMESA CORPORACIÓN TECNOLÓGICA, S.A.

He is Civil Engineer by the Polytechnic University of Valencia and has also fulfilled a Program of Development of Senior Management in the Management School of IESE Business School (University of Navarra).

Until February 1, 2016 and since 2010, he held the post of general director of Networking Business of the Iberdrola group.

Along his professional career he has hold different posts in Hidroeléctrica Española and, afterwards, in the Iberdrola group, in which he has held, among others, the following posts: Networking Business Director Spain (2006-2010), Distribution Area Director (2001-2006), Production Business Unit Director (1997-2001), Hydraulic Generation Director (1994-1997), East Zone Generation Director (1991-1994), Exploitation Unit Manager in Valencia (1989-1991), Cortes-La Muela Hydroelectric Capture Construction Director (1982-1989) and Civil Works Manager in the construction of the Nuclear Power Station of Cofrentes (1976-1984).

Until February 1, 2016 he held the following posts in the Board of Directors of the companies detailed next: Chairman Director of Elektro Electricidade e Serviços, S.A., Chairman Director of Iberdrola USA Networks, Inc., Chairman Director of Iberdrola Distribución Eléctrica, S.A., Joint Administrator of Iberdrola Redes España, S.A. and Chairman Director of Scottish Power Energy Networks Holdings Ltd.

Likewise, until February 9, 2016 he held the post of Joint Administrator of Iberdrola Redes España, S.A.

Gema Góngora Bachiller

Born in Madrid, she holds the position of Member of the Board of Directors of GAMESA CORPORACIÓN TECNOLÓGICA, S.A. and of its Remunerations Committee.

She holds a Degree in Business from Universidad Autónoma de Madrid and a Master's in Strategic Human Resources Management from Escuela de Organización Industrial.

She started her professional career in the Human Resources Organisation and Development Department of Iberdrola Engineering, joining the Corporate Human Resources Division of Iberdrola in 2001, where she has been Head of Training and Development.

Currently Director of Development and Executive Management, she is responsible for the professional development and global talent management programmes. She is also in charge of training and development for the executive team of the Iberdrola Group.

(C.1.7)

In addition to the information provided in section C.1.7, Ramón Castresana Sánchez was external proprietary director of GAMESA CORPORACIÓN TECNOLÓGICA, S.A. from his appointment on 25 July 2012 at the request of Iberdrola, S.A., subsequently re-elected on 19 April 2013) and until his resignation on 27 May 2015.

(C.1.15)

To complement the information provided in paragraph C.1.15 note that:

a) pursuant to the provisions of Articles 45.3 and 45.6 of the Corporate Bylaws of GAMESA CORPORACIÓN TECNOLÓGICA, S.A. and of those provisions approved under the fifteenth accord of the agenda of the 2015 General Shareholders Meeting held on 8 May 2015, the remuneration of the Company to all directors of fixed annual remuneration and allowances for their dedication and assistance does not exceed the maximum amount of three million euros (€3,000,000) established by said General Shareholders Meeting, as such consideration is compatible with and independent of the remuneration received by executive directors.

b) the remunerations to the Board of Directors included, in accordance with the Annual Directors' Remuneration Report, the amount accrued in cash by the chairman and CEO corresponding to the long-term incentive approved by the 2013 General Shareholders Meeting whose measurement period concluded on 31 December 2015, and totaled €1.26 million. Fifty percent (50%) of this amount will be liquidated within the first 90 days in 2016, and the remaining 50% within the first 90 days in 2017. Turning to the part of the incentive consisting in shares, the right to a delivery of 189,759 shares has been acknowledged. Delivery of half (94,879 shares) of this amount is scheduled upon verification during the first 90 days in 2016 and the remaining half (94,880 shares) during the first 90 days of 2017. The amount corresponding to the shares delivered in these periods shall be included in the deeds and reports corresponding thereto, calculated in terms of the average listed share price on the date of delivery to the chairman and CEO.

c) the information shown therein coincides with the figure in Note 19 of the Individual Report and Note 30 of the Consolidated Report, which form part of the financial statements for fiscal year 2015.

(C.1.16)

a) In addition to the information provided in section C.1.16, Remuneration to the Senior Management Board of Directors included, as long-term variable remuneration, the amount accrued in cash corresponding to the long-term incentive approved by the 2013 General Shareholders Meeting whose measurement period concluded on 31 December 2015, and totaled €2.972 million. Fifty percent (50%) of this amount will be liquidated within the first 90 days in 2016, and the remaining 50% within the first 90 days in 2017. Turning to the part of the incentive consisting in shares, the right to a delivery of 447,580 shares has been acknowledged for the entire Senior Management. Delivery of half (223,790 shares) of this amount is scheduled upon verification during the first 90 days in 2016 and the remaining half (223,790 shares) during the first 90 days of 2017. The amount corresponding to the shares delivered in these periods shall be included in the deeds and reports corresponding thereto, calculated in terms of the average listed share price on the date of delivery to the beneficiaries.

b) the information shown in the same coincides with the figure in Note 19 of the Individual Report and Note 31 of the Consolidated Report, which form part of the financial statements for fiscal year 2015.

(C.1.17)

In addition to the information provided in section C.1.17, Ramón Castresana Sánchez was external proprietary director of GAMESA CORPORACIÓN TECNOLÓGICA, S.A. from his appointment on 25 July 2012 at the request of Iberdrola, S.A., subsequently re-elected on 19 April 2013) and until his resignation on 27 May 2015. Ramón Castresana Sánchez was therefore linked to the significant shareholder Iberdrola, S.A., and the existing relationship consists in his post as Human Resources Director of the Iberdrola Group.

In addition to the information provided in section C.1.17, Francisco Javier Villalba Sánchez retired on 1 February 2016 from his post as General Director of the Grid Business in the Iberdrola group, likewise resigning from his posts on the Boards of Directors of the companies included in the cited section.

(C.1.21)

In addition to the information provided in section C.1.21, according to Significant Event 218697 submitted to the CNMV on 17 February 2015, independent director Manuel Moreu Munaiz informed GAMESA CORPORACIÓN TECNOLÓGICA, S.A. of his resignation as Member of the Board of Directors and the Audit and Compliance Committee on the same date.

In addition to the information provided in section C.1.21, according to Significant Event 223593 submitted to the CNMV on 27 May 2015, non-executive proprietary director Ramón Castresana Sánchez informed GAMESA CORPORACIÓN TECNOLÓGICA, S.A. of his resignation as Member of the Board of Directors and Appointments and Remuneration Committee on the same day.

(C.1.30)

In addition to the information provided in section C.1.30, all the Directors personally attended all meetings of the Board of Directors. In this regard, non-attendance was not considered in cases of directors in a conflict of interest who, according to article 31 of the Regulations of the Board of Directors, refrained from attending and intervening in the deliberations, voting, decision-making and execution of transactions and matters in connection with the conflict.

(C.1.33)

To complement the information provided in paragraph C.1.33 note that the Secretary Director of the Board of Directors, in accordance with his status as a lawyer and in accordance with the provisions of Article 21.5 of the Regulations of the Board of Directors, holds the position of Legal Adviser to the Board of Directors. Article 13.3 of the Regulations of the Board of Directors establishes the functions of the Secretary, in addition to the functions attributed by law or by the Corporate Governance rules.

The Secretary Director of the Board of Directors of GAMESA CORPORACIÓN TECNOLÓGICA, S.A., Mr. Carlos Rodríguez-Quiroga Menéndez, who is the Executive Director, was re-elected to his post by the General Shareholders' Meeting held on April 19, 2013.

(C.1.35)

To complement the information provided in paragraph C.1.35 note that Article 28 of the Regulations of the Audit and Compliance Committee of GAMESA CORPORACIÓN TECNOLÓGICA, S.A. regulate the relations of said Committee with the External Auditor. The full text is available at www.gamesacorp.com

(C.1.45)

To complement the information provided in paragraph C.1.45 note that at the time of the call of the 2015 General Shareholders' Meeting of GAMESA CORPORACIÓN TECNOLÓGICA, S.A. information about the terms of guarantee or protection for members of Senior Management was made available to shareholders. More specifically said information is collected in the "2014 Annual Corporate Governance Report" of GAMESA CORPORACIÓN TECNOLÓGICA, S.A., which was included in the Supplementary Report of Annual Account Management for the fiscal year ended December 31, 2014.

(C.2.1)

To complement the information provided in paragraph C.2.1 note that Mr. Carlos Rodríguez-Quiroga Menéndez holds the position of non-member Secretary of the Executive Committee, of the Audit and Compliance Committee, of the Appointments Committee and the Remuneration Committee.

To complement the information provided in paragraph C.2.1, note variations during and since the close of the fiscal year in the committees of the Board of Directors and other information as follows:

Executive Committee

During its session on 25 February 2015, and following a report from the Appointments and Remuneration Committee, the Board of Directors agreed to appoint Mr. Francisco Javier Villalba Sánchez as Proprietary Director of the Board of Directors of the Company, as new member of the Executive Committee to replace Sonsoles Rubio Reinoso.

Audit and Compliance Committee

According to Significant Event 218697 submitted to the CNMV on 17 February 2015, independent director Mr. Manuel Moreu Munaiz informed GAMESA CORPORACIÓN TECNOLÓGICA, S.A. of his resignation as Member of the Board of Directors and the Audit and Compliance Committee on the same date.

At its meeting of 27 May 2015, the Board of Directors agreed to appoint, at the proposal of the Appointments and Remuneration Committee, Ms. Gloria Hernández García as Independent Director on the Board of Directors of the Company, member of the Audit and Compliance Committee, which agreed on the same date to appoint her as Chairman to replace Mr. Luis Lada Díaz.

During its session on 27 May 2015, and at the proposal of the Appointments and Remuneration Committee, the Board of Directors agreed to appoint Mr. José María Aracama Yoldi as Independent Director of the Board of Directors of the Company, as new member of the Audit and Compliance Committee.

Appointments and Remuneration Committee

During its session on 27 May 2015, and at the proposal of the Appointments and Remuneration Committee, the Board of Directors agreed to appoint Mr. Andoni Cendoya Aranzamendi as Independent Director of the Board of Directors of the Company, member of the Appointments and Remuneration Committee, which in turn agreed to appoint him as its Chairman to replace Mr. José María Aracama Yoldi.

During its session on 27 May 2015, and following a report from the Appointments and Remuneration Committee, the Board of Directors agreed to appoint Ms. Gema Góngora Bachiller as Proprietary Director of the Board of Directors of the Company, as new member of the Appointments and Remuneration Committee to replace Proprietary Director Mr. Ramón Castresana Sánchez.

(D.2)

To complement the information provided in paragraph D.2 note that this information is related to Note 32 of the Consolidated Report integrated into the Annual Financial Statements for 2015.

Also note that the amount attributed to Services Received from IBERDROLA, SA, included in said Note 32 of the Consolidated Report, corresponds to the electrical supply for facilities of the Gamesa Group by IBERDROLA, S.A., although this amount was not included in Section D.2 since it does not warrant consideration.

(D.4)

To complement the information provided in paragraph D.4 note that:

a) Gamesa Group companies established in countries or territories considered to be tax havens according to Law 1080/1991 of 5 July, are classified as operating companies and exclusively carry out ordinary business activities.

b) there are no operations of GAMESA CORPORACIÓN TECNOLÓGICA, S.A. with said companies of the Gamesa Group in countries or territories considered to be tax havens according to Decree Law 1080/1991 of 5 July, rather they affect other companies in the Group that are parent companies of the different businesses with operations such as the following:

Company name of the entity in its group	Brief description of the transaction	Report (thousands of euros)
Gamesa Singapore Private Limited	Interest on intragroup financing	241
Gamesa Cyprus Limited	Interest on intragroup financing	8
Gamesa Cyprus Limited	Intragroup sales and rendering of services	87
Gamesa Dominicana, S.A.S.	Intragroup sales and rendering of services	218
Gamesa Dominicana, S.A.S.	Interest on intragroup financing	583
Parques Eólicos del Caribe, S.A.	Intragroup sales and rendering of services	5
Gamesa Mauritius LTD	Interest on intragroup financing	6
Gamesa Mauritius LTD	Intragroup sales and rendering of services	222
Gamesa Eólica S.L. "Branch Jamaica"	Intragroup sales and rendering of services	1,823

(D.5)

To complement the information provided in paragraph D.5 note that this information is related to Note 32 of the Consolidated Report integrated into the Annual Financial Statements for 2015.

2. Within this paragraph can also be included any other information, clarification or array related to previous paragraphs of the report to the extent that they are relevant and not repetitive.

   Specifically, indicate whether the company is subject to legislation different from the Spanish legislation on corporate governance and, where applicable, include the information that is required that is different from that specified in this report.

3. The company may also indicate whether it has acceded voluntarily to other ethical principles or codes of good practice, international, regional or other. In that case, the code in question and the date of accession shall be identified. In particular, indicate if the company has acceded to the Good Tax Practices Code, of July 20, 2010.

GAMESA CORPORACIÓN TECNOLÓGICA, S.A. has adhered voluntarily to various codes of ethics or codes of practice, these being the following:

a) "United Nations Global Compact", which is promoted by the United Nations and its goal is the commitment and support to promote the ten principles of human and labor rights, environmental protection and the fight against corruption. GAMESA CORPORACIÓN TECNOLÓGICA, S.A. voluntarily acceded, as of February 2, 2005, and annually publishes a Progress Report (COP) of review of compliance with these principles.

b) "Global Reporting Initiative (GRI)" which is promoted by the NGO Global Reporting Initiative. Its goal is to create an environment for the exchange of transparent and reliable information on sustainability through the development of an application framework common to all kinds of organizations. GAMESA CORPORACIÓN TECNOLÓGICA, S.A. acceded voluntarily as of December 14, 2005.

c) "Caring for Climate: The business leadership platform", promoted as an initiative of the UN Global Compact. Its goal is the involvement of businesses and governments in taking action on climate change, energy efficiency, reduction of emissions of greenhouse gases (GHGs) and positive collaboration with other public and private institutions. GAMESA CORPORACIÓN TECNOLÓGICA, S.A. acceded voluntarily as of June 18, 2007.

d) "Principles of Empowerment of Women", promoted by UN Women / UN Global Compact of the United Nations and aiming to build stronger economies, establish a more stable and just society, achieve compliance development, sustainability and human rights and improve the quality of life of women, men, families and communities. GAMESA CORPORACIÓN TECNOLÓGICA, S.A. acceded voluntarily as of December 22, 2010.

e) "Code of Conduct for the Development of Wind Farms in the State of New York," sponsored by the Office of the Attorney General of the State of New York (United States) and aiming to promote economic development and renewable energy, and promote public integrity in developing wind farms. GAMESA CORPORACIÓN TECNOLÓGICA, S.A. acceded voluntarily as of March 1, 2012.

f) "Prince of Wales Business Leaders Group on Climate Change" sponsored by The Prince of Wales Corporate Leaders Group on Climate Change. GAMESA CORPORACIÓN TECNOLÓGICA, S.A. has added its signature successively to the releases of Carbon Price (2012), Cancun (2010), Copenhagen (2009) and Poznan (2008) about climate change in the United Nations Framework Convention of the United Nations on Climate Change (UNFCCC). These accessions represent a call from the international business community to foster policies and take actions to combat climate change. GAMESA CORPORACIÓN TECNOLÓGICA, S.A. acceded voluntarily to the "Prince of Wales Business Leaders Group on Climate Change" as of January 21, 2013.

g) "Diversity Charter in Spain", promoted by the Fundación Diversidad, is an initiative supported by the European Commission and the Equality Ministry of Spain, so that the companies that voluntarily sign the Diversity Charter respect the current legislation in opportunity equality and against discrimination, and assume the basic guideline principles established in the declaration. GAMESA CORPORACIÓN TECNOLÓGICA, S.A. acceded voluntarily to the "Diversity Charter in Spain" as of November 3, 2014.

h) "Science Based Targets", a joint initiative of the Carbon Disclosure Project (CDP), United Nations Global Compact (UNGC), Word Resources Institute (WRI) and WWF for the purpose of elevating corporate commitments and actions in the fight against climate change. This initiative enables companies to establish emissions reduction targets that are consistent with the decarbonization levels scientifically called for to limit global warming to 2ºC in comparison with pre-industrial levels. GAMESA CORPORACIÓN TECNOLÓGICA, S.A. voluntarily adhered to this initiative on 23 November 2015.

i) "American Business Act on Climate Pledge", promoted by the government of the United States of America with a view to backing the fight against climate change and calling on its parties to adopt a firm commitment at the Paris Summit (COP 21) on 30 November 2015.

j) "Paris Pledge for Action", an inclusive initiative from the French presidency of the COP21 managed by the University of Cambridge Institute for Sustainability Leadership (CISL) that invites companies, regions, cities and investors to join together and take action to further the results of the ONU's Paris Agreement on Climate Change. Over 400 companies, 150 cities and regions, and 120 investors have currently joined this initiative. GAMESA CORPORACIÓN TECNOLÓGICA, S.A. voluntarily adhered to this initiative on 4 December 2015.

In relation to the Good Tax Practices Code of 20 July 2010, it shall be pointed out that GAMESA CORPORACIÓN TECNOLÓGICA, S.A. has not adhered to it.

This annual corporate governance report was approved by the Board of Directors of the Company at its meeting held on February 24, 2016.

Indicate whether any Directors voted against or abstained from the approval of this report.

Yes ☐ No X

Name or company name of director who did not vote in favor of the adoption of this report	Reasons (against, abstention, absence)	Explanation of the reasons

CARLOS RODRÍGUEZ-QUIROGA MENÉNDEZ, WITH NATIONAL IDENTITY CARD NUMBER 276302 A, SECRETARY OF THE BOARD OF DIRECTORS OF “GAMESA CORPORACIÓN TECNOLÓGICA, S.A.” WITH REGISTERED OFFICE IN ZAMUDIO (VIZCAYA), AT PARQUE TECNOLÓGICO DE BIZKAIA, EDIFICIO 222 WITH EMPLOYER IDENTIFICATION NUMBER A-01011253.

HEREBY CERTIFY:

That the text of the Director’s Report for 2014 of GAMESA CORPORACIÓN TECNOLÓGICA, S.A. authorised for issue by the Board of Directors at its meeting held on February 24, 2016 is the content of the preceding 139 sheets of unstamped paper, on the obverse only, and for authentication purposes, bear my signature and that of the Chairman of the Board of Directors.

The directors listed below hereby so ratify by signing below, in conformity with Article 253 of the Spanish Limited Liability Companies Law.

Ignacio Martín San Vicente Chairman and CEO	Juan Luis Arregui Ciarsolo Deputy Chairman
Carlos Rodríguez-Quiroga Menéndez Secretary of the Board of Directors	José María Vázquez Eguskiza Member of the Board of Directors
Luis Lada Díaz Member of the Board of Directors	José María Aracama Yoldi Member of the Board of Directors
Sonsoles Rubio Reinoso Member of the Board of Directors	José María Aldecoa Sagastasoloa Member of the Board of Directors
Francisco Javier Villalba Sánchez Member of the Board of Directors	Gloria Hernández García Member of the Board of Directors
Andoni Cendoya Aranzamendi Member of the Board of Directors	Gema Góngora Bachiller Member of the Board of Directors

Zamudio, February 24, 2016 In witness whereof

Approval of the Chairman

Ignacio Martín San Vicente Chairman and CEO	Carlos Rodríguez-Quiroga Menéndez Secretary of the Board of Directors

Auditor's report on information relating to the internal control over financial reporting (ICFR) for 2015

GAMESA CORPORACIÓN TECNOLÓGICA, S.A.

(Translated from the original in Spanish)

(Translation of a report originally issued in Spanish. In the event of discrepancy, the Spanish-language version prevails)

Auditor's report on information relating to the internal control over financial reporting (ICFR) of GAMESA CORPORACIÓN TECNOLÓGICA, S.A. for 2015

To the Directors,

At the request of the Board of GAMESA CORPORACIÓN TECNOLÓGICA, S.A. (hereinafter the Company), and in accordance with our proposal dated December 3, 2015, we applied certain procedures to the accompanying "ICFR-related information" included in the Corporate Governance Report, hereinafter CGR, (English version pages 71 to 85) for GAMESA CORPORACIÓN TECNOLÓGICA, S.A. and subsidiaries for 2015, which summarizes the Company's internal control procedures regarding annual financial information.

The Board of Directors is responsible for taking appropriate measures to reasonably ensure the implementation, maintenance, supervision, and improvement of a correct internal control system, as well as preparing and establishing the content of all the related accompanying ICFR data.

It is worth noting that apart from the quality of design and operability of the Company's internal control system as a far as annual financial reporting is concerned, it only provides a reasonable, rather than absolute, degree of security regarding its objectives due to the inherent limitations to the internal control system as a whole.

Throughout the course of our audit work on the financial statements, and in conformity with Technical Auditing Standards, the sole purpose of our evaluation of the Company's internal control system was to establish the scope, nature, and timing of the audit procedures performed on its financial statements. Therefore, our internal control assessment performed for the audit of the aforementioned financial statements was not sufficiently extensive to enable us to express a specific opinion on the effectiveness of the internal control over the regulated annual financial information.

For the purpose of issuing this report, we exclusively applied the specific procedures described below and indicated in the Guidelines on the Auditors' report relating to information on the Internal Control over Financial Reporting on Listed Companies, published by the Spanish National Securities Market Commission on its website, which establishes the work to be performed, the minimum scope thereof and the content of this report. Given that the scope of the abovementioned procedures performed was limited and substantially less than that of an audit carried out in accordance with generally accepted accounting principles, we have not expressed an opinion regarding its efficacy, design, or operational effectiveness regarding the Company's 2015 financial data described in the accompanying ICFR information. Consequently, had we applied additional procedures to those established by the Guidelines mentioned above or had we carried out an audit or a review of the internal control over the regulated annual financial reporting information, other matters have been disclosed which would have been reported to you.

Likewise, since this special engagement does not constitute an audit of the financial statements or a review in accordance with Royal Decree 1/2011, dated July 1, enacting the revised Audit Law, we do not express an audit opinion in the terms provided for therein.

The following procedures were applied:

1. Read and understand the information prepared by the Company in relation to the ICFR -which is provided in the Annual Corporate Governance Report disclosure information included in the Directors' Report- and assess whether such information addresses all the required information which will follow the minimum content detailed in section F, relating to the description of the ICFR, as per the IAGC model established by CNMV Circular nº 5/2013 dated June 12, 2013.

2. Make inquiries of personnel in charge of preparing the information described in point 1 above in order to: (i) obtain an understanding of its preparation process; (ii) obtain information making it possible to evaluate whether the terminology employed is in line with reference framework definitions (iii) gather information regarding whether the described control procedures are implemented and functioning within the Company.

3. Review the explanatory documentation supporting the information described in section 1 above, which should basically include everything directly provided to those in charge of preparing the descriptive ICFR information. This documentation includes reports prepared by the Internal Audit Department, senior management, and other internal and external experts in their role supporting the the Audit Committee.

4. Compare the information contained in section 1 above with the Company's ICFR knowledge obtained as a result of performing the procedures within the framework of auditing the financial statements.

5. Read the minutes of the Board Meetings, Audit Committees, and other Company committees in order to evaluate the consistency between issues related to the ICFR and information discussed in section 1.

6. Obtain the representation letter related to the work performed, duly signed by those responsible for preparing and authorizing the information discussed in section 1.

As a result of the procedures applied on the ICFR-related information, no inconsistencies or incidents have come to our attention which might affect it.

This report was prepared exclusively within the framework of the requirements of the article 540 of the Corporate Enterprises Act, by Circular number 5/2013 of the Spanish National Security Market, dated June 12, 2013, related to the description of the ICFR in the Corporate Governance Report.

ERNST & YOUNG, S. L.

(Signed on the original)

Alberto Peña Martínez

February 25, 2016