



## **Reports: Fifth, sixth and seventh items on the Agenda**

Framework report drawn up by the Board of Directors of Gamesa Corporación Tecnológica, S.A. regarding the proposals for ratification of the appointment by co-option and reelection of Directors under items five, six and seven on the agenda of the General Shareholders Meeting.

Individual reports drawn up by the Board of Directors regarding the proposals for ratification included in items fifth, sixth and seventh on the agenda.



**The Board of Directors at its meeting on 4 May 2016 approved the present framework report regarding the proposed ratification and reelection of the directors included in items five, six and seven on the agenda of the General Shareholders Meeting of Gamesa Corporación Tecnológica, S.A., to be held in Zamudio (Bizkaia) at 12:00 pm on 21 June 2016, on the first call to convene, or on 22 June 2016, at the same place and time, on the second call to convene.**

## **1. Purpose of the report**

This framework report was drawn up by the Board of Directors of Gamesa Corporación Tecnológica, S.A. ("**Gamesa**" or the "**Company**") in accordance with section 5 of article 529 decies of the Corporate Enterprises Act in connection with the proposal to ratify the appointment by co-option and reelection of Gema Góngora Bachiller, and with the proposals to reelect Ignacio Martín San Vicente and Sonsoles Rubio Reinoso as directors of the Company.

In compliance therewith, this report is an express positive assessment of the skills, experience and merits of the proposed candidates.

Moreover, and pursuant to section 6 of the cited article and in the Company's Corporate Governance Standards, the proposal for ratification of the appointment by co-option and reelection of Gema Góngora Bachiller as director of the Company –in the condition of proprietary director– is submitted to the General Shareholders Meeting for approval following a favorable report from the Appointments Committee (the "**Committee**") on 29 March 2016, issued based on the report drawn up by the erstwhile Appointments and Remuneration Committee<sup>1</sup> for the purpose of the corresponding appointment by co-option this past 26 May 2015.

In turn, the proposals to reelect Ignacio Martín San Vicente and Sonsoles Rubio Reinoso as executive director and proprietary director respectively, are submitted to the General Shareholders Meeting for approval following the prior favorable report from the Appointments Committee on 29 March 2016.

This document comprises a framework report, which contains the joint appraisal and justification for ratifying the appointment by co-option and reelection of Gema Góngora Bachiller and the reelections of Ignacio Martín San Vicente and Sonsoles Rubio Reinoso; and three individual substantiating reports for each proposed candidate.

## **2. Selection process and justification of the proposals together**

The appointment by co-option of Gema Góngora Bachiller as Company director, in her condition as non-executive proprietary director, was approved by the Board of Directors on 27 May 2015 with a view to filling in the vacancy from the resignation of Ramón Castresana Sánchez, specialized in the area of human resources. For this purpose, the Board of Directors especially appreciated Mrs. Góngora Bachiller's professional and academic background in this area.

The appointment was backed by a favorable report from the erstwhile Appointments and Remuneration Committee on 26 May 2015.

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<sup>1</sup> The Appointments and Remuneration Committee split into two separate committees on 16 December 2015.



The Appointments Committee issued the corresponding favorable report on 29 March 2016 in light of the proposal to ratify the appointment by co-option and reelection of the post for the statutory term of four years that will be addressed at the next General Shareholders Meeting.

This report states that after reexamining the circumstances considered for the initial appointment of Mrs. Góngora Bachiller and having assessed her performance in the post since said appointment, the committee reached a favorable conclusion regarding the appropriateness of her reelection.

In particular, the committee valued the experience of the candidate in the sector of human resources, as she has the necessary profile for enriching the discussions, debates and decision-making processes of the Board of Directors, a profile previously held by Ramón Castresana Sánchez before his resignation.

Moreover, after analyzing the Company's ownership structure, absolute and relative importance of significant shareholdings and the level of continuity, commitment and strategic links with Gamesa, the Appointments Committee concluded that the ratification and reelection of Mrs. Góngora Bachiller as proprietary director would not alter the reasonable balance between proprietary and independent directors. It should particularly be noted that the candidate would cover the vacancy left by a proprietary director designated by the very same significant shareholder, namely Iberdrola, S.A.

Turning to the drafting of the proposals for reelection, the Board of Directors has considered the professional profiles of the candidates and their suitability to the particulars of the business carried out by the Company, the sectors in which it operates and, in particular, their level of performance and dedication to their posts thus far.

In this regard, the Board of Directors considers that the group of candidates for reelection appropriately have the sufficient skills and expertise in the following fields:

- a) knowledge of the sectors in which the Company operates
- b) experience and knowledge in industrial, power, economic and financial aspects, in addition to extensive qualifications in the management of human resources
- c) international experience and understanding of the most relevant geographical markets for the Company
- d) experience and knowledge in management, leadership and company strategy

The *curriculum vitae* and trajectory in the performance of their functions by the directors whose reelection is put before the General Shareholders Meeting for approval prove their capacity as administrators, merits to continue the discharge of their duties, extensive experience in sectors relevant for the Company and its group, and vast knowledge in numerous business fields, which guarantees the contribution of multiple points of view during debates and discussions on the Board of Directors.

Overall, the proposals for reelecting the directors submitted to the General Shareholders Meeting would not alter the high percentage of independent directors on the Board of Directors but would entail the consolidation of the elevated level of qualifications in the board's composition.

The diversity in the composition of the Board of Directors would also be preserved with the presence of three female directors (i.e., 27% of the total) in line with the goal to have the number of female directors represent at least 30% of the total members of the body by 2020.

Lastly, the Appointments Committee has verified that Gema Góngora Bachiller, Ignacio Martín San Vicente and Sonsoles Rubio Reinoso meet the requirements of renowned reputation, solvency, competence and experience, and are not involved, directly or indirectly, in any of the causes for incompatibility, prohibition, conflict or opposition of interests with the corporate interest, provided in the general provisions or in the Corporate Governance Standards of the Company.



### 3. Situation of the Board of Directors after the ratification and reelection and the appointments

After ratifying the appointment by co-option and reelection of Gema Góngora Bachiller and reelection of Ignacio Martín San Vicente and Sonsoles Rubio Reinoso by the General Shareholders Meeting, the composition of the Board of Directors would be as follows:

Name	Position	Qualification
Ignacio Martín San Vicente	Chairman and CEO	Executive
Juan Luis Arregui	Vice Chairman	Independent
José María Vázquez	Member	Independent
Sonsoles Rubio	Member	Proprietary
Luis Lada	Member	Independent
José María Aldecoa	Member	Independent
Gema Góngora	Member	Proprietary
José María Aracama	Member	Independent
Carlos Rodríguez-Quiroga	Member and Secretary	Executive
Francisco Javier Villalba	Member	Proprietary
Gloria Hernández	Member	Independent
Andoni Cendoya	Member	Independent

The Board of Directors would thus comprise 16.7% executive directors and 83.3% non-executive directors (70% of whom are independent) in accordance with recommendation 15 of the Code of Good Governance for listed companies.

Additionally, recommendation 16 of the new Code of Good Governance for listed companies establishes that the proportion between proprietary directors among the total number of non-executive directors should not be higher than the share capital percentage of the shareholder represented on the Board of Directors (in this regard, significant shareholder Iberdrola, S.A. currently holds 19.687% of the share capital, while the proportion of proprietary directors against the total number of non-executive directors is 25%).

However, this recommendation is expressly mitigated by the Code of Good Governance for large cap listed companies, which include the Company whenever shareholdings that are legally considered significant are limited. In this regard, only Iberdrola, S.A. formally has a participation consideration as such.

In consideration of the foregoing and also the level of continuity, commitment and strategic links of said shareholder with the Company, in the opinion of the Appointments Committee and Board of Directors, Gamesa satisfies said recommendation.

In keeping with the above, the Appointments Committee and Board of Directors find that there is reasonable balance between Proprietary Directors and Independent Directors, taking into account the Company's ownership structure, the absolute and relative importance of significant shareholdings, as well as the level of continuity, commitment and strategic links of Iberdrola, S.A. with the Company.


Finally, the proportion of Independent Directors among the total members of the Board of Directors (58.3%) satisfies recommendation 17 of the Code of Good Governance for listed companies, specifically aimed at large cap companies.



#### **4. Individual justification reports**

Below are the individual reports substantiating the ratification of the appointment by co-option and reelection of Gema Góngora Bachiller as non-executive proprietary director of the Company, and the reelections of Ignacio Martín San Vicente as executive director and Sonsoles Rubio Reinoso as non-executive proprietary director.

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## Report: Fifth item on the agenda

Individual report drawn up by the Board of Directors of **Gamesa Corporación Tecnológica, S.A.** regarding the proposal for ratification of the appointment by co-option and reelection of Gema Góngora Bachiller as non-executive proprietary director under item five on the agenda of the General Shareholders Meeting.



**The Board of Directors at its meeting on 4 May 2016 approved the present individual report regarding the proposed ratification of the appointment by co-option and reelection of Gema Góngora Bachiller as non-executive proprietary director, included in item five on the agenda of the General Shareholders Meeting of Gamesa Corporación Tecnológica, S.A., to be held in Zamudio (Bizkaia) at 12:00 pm on 21 June 2016, on the first call to convene, or on 22 June 2016, at the same place and time, on the second call to convene.**

## **1. Introduction**

This justification report was drawn up by the Board of Directors of Gamesa Corporación Tecnológica, S.A. ("**Gamesa**" or the "**Company**") in accordance with section 529 decies of the Corporate Enterprises Act, and also for the purposes of article 518 therein, in connection with the proposal to ratify the appointment by co-option and reelection of Gema Góngora Bachiller as director of the Company.

In this report, the professional and biographical profile of the candidate is individually evaluated, along with the other information required by current legislation and the Corporate Governance Standards.

## **2. Favorable reports of the Appointments and Remuneration Committee and the Appointments Committee**

In accordance with section 6 of Article 529 decies of the Corporate Enterprises Act and the Corporate Governance Standards of the Company, on 26 May 2015 the Appointments and Remuneration Committee issued the corresponding favorable report on the appointment by co-option of Gema Góngora Bachiller as member of the Board of Directors of the Company, with the qualification of non-executive proprietary.

In turn, on 29 March 2016 the Appointments Committee issued the corresponding favorable report regarding the proposal for ratification of the appointment by co-option and reelection of Gema Góngora Bachiller as member with the same qualification on the Company's Board of Directors under item five on the agenda of the General Shareholders Meeting.

## **3. Justification of the proposal for ratification and reelection as member of the Board of Directors**

The Appointments and Remuneration Committee had already verified that Gema Góngora Bachiller satisfied the requirements established by law and in Corporate Governance Standards of the Company to discharge her duty as non-executive proprietary director of the Board of Directors. In particular and in the opinion of the committee, the candidate meets the requirements of proven reputation, solvency, competence and experience established in the Corporate Governance Standards of Gamesa.

Likewise, the Appointments and Remuneration Committee verified that the candidate was not involved, directly or indirectly, in any of the causes for incompatibility, prohibition, conflict or opposition of interests with the corporate interest, provided in the general provisions or in the Corporate Governance Standards of Gamesa.

The Appointments Committee in turn examined and reached favorable conclusions insofar as the continuance of the circumstances driving the appointment of Mrs. Góngora Bachiller and her performance since said appointment.

The candidate's effective availability to provide the dedication required for the performance of the position has also been verified with her.



As reflected in the previous framework report, the Board of Directors agrees with the considerations made in the reports of the Appointments and Remuneration Committee and Appointments Committee.

#### **4. Professional and biographical Director profile of Gema Góngora Bachiller**

Gema Góngora Bachiller was born in Madrid in 1973 and holds a Business Degree from the Autónoma University of Madrid and a Master's Degree in Strategic Human Resource Management from the School of Industrial Organization. Her academic trajectory also included studies at the IESE Business School (University of Navarra) and the Iberdrola School of Management.

Currently and since 2015, she has held the position of Executive development and Management Director at the Iberdrola Group.

Turning to the experience for holding her position at Gamesa, Mrs. Góngora Bachiller has held various executive offices in the Iberdrola Group, always within her area of specialization, namely: human resources. In particular, she was the global head of human resources development (2014) and executive selection and development manager (2009-2013). The presence of a specialized profile in this field is considered to be essential for an adequate composition of the Board of Directors so that debates can be enriched by multiple and diverse points of view.

#### **5. Membership on other boards of directors**

Gema Góngora Bachiller currently holds no further posts on other boards of directors.

#### **6. Category of Director to which she should be assigned**

Should Mrs. Góngora Bachiller's appointment by co-option be ratified and reelection approved, she will continue to be assigned to the category of Non-executive Proprietary Director, since her appointment was made at the proposal of Iberdrola, S.A. in its capacity of significant shareholder.

#### **7. Date of her first appointment as director of the Company and positions held on the Board of Directors**

She was appointed as Director by the Company's Board of Directors through a co-option procedure on 27 May 2015 and currently holds no internal position therein.

She is a member of the Remuneration Committee.

#### **8. Shares of the Company and derivative financial instruments that have underlying shares in the Company, which she holds**

Gema Góngora Bachiller holds no shares or derivative financial instruments that have underlying shares in the Company, either directly or indirectly.

#### **9. Resolution proposal**

The Board of Directors has concluded that the technical knowledge and experience of Gema Góngora Bachiller justify her ratification and reelection as director for the statutory period of four years.





The resolution proposal submitted to the General Shareholders Meeting for approval is the following:

**"Item Five on the Agenda: "Ratification of the appointment by cooption and re-election of Ms. Gema Góngora Bachiller as director of the Company, as a non-executive proprietary director, for the statutory period of four years."**

*To ratify the appointment of Ms. Gema Góngora Bachiller as director appointed by cooption by agreement of the Board of Directors of May 27, 2015, and re-elect her, with the previous favourable report of the Appointments Committee, for the period of four years established in the By-Laws, as non-executive proprietary director."*

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# Report: Sixth item on the Agenda

Individual report drawn up by the Board of Directors of **Gamesa Corporación Tecnológica, S.A.** regarding the reelection of Ignacio Martín San Vicente as executive director under item six on the agenda of the General Shareholders Meeting.



**The Board of Directors at its meeting on 4 May 2016 approved the present individual report regarding the proposed reelection of Ignacio Martín San Vicente as executive director, included in item six on the agenda of the General Shareholders Meeting of Gamesa Corporación Tecnológica, S.A., to be held in Zamudio (Bizkaia) at 12:00 pm on 21 June 2016, on the first call to convene, or on 22 June 2016, at the same place and time, on the second call to convene.**

## **1. Introduction**

This justification report was drawn up by the Board of Directors of Gamesa Corporación Tecnológica, S.A. ("**Gamesa**" or the "**Company**") in accordance with section 529 decies of the Corporate Enterprises Act, and also for the purposes of article 518 therein, in connection with the proposal to reelect Ignacio Martín San Vicente as director of the Company.

In this report, the professional and biographical profile of the candidate is individually evaluated, along with the other information required by current legislation and the Corporate Governance Standards.

## **2. Favorable report of the Appointments Committee**

In accordance with section 6 of Article 529 decies of the Corporate Enterprises Act and the Corporate Governance Standards of the Company, on 29 March 2016 the Appointments Committee issued a favorable report on the reelection of Ignacio Martín San Vicente as executive director of the Company for the statutory term of four years.

## **3. Justification of the proposal for reelection as member of the Board of Directors**

The Appointments Committee has verified that Ignacio Martín San Vicente satisfies the requirements established by law and in Corporate Governance Standards of the Company to discharge his duty as executive director. In particular and in the opinion of the committee, the candidate meets the requirements of proven reputation, solvency, competence and experience established in the Corporate Governance Standards of Gamesa.

Likewise, the Appointments Committee has verified that he is not involved, directly or indirectly, in any of the causes for incompatibility, prohibition, conflict or opposition of interests with the corporate interest, provided in the general provisions or in the Corporate Governance Standards of Gamesa. Additionally, the Committee examined and reached favorable conclusions insofar as the continuance of the circumstances driving the appointment of Mr. Martín San Vicente and his performance at the post.

The candidate's effective availability to provide the dedication required for the performance of the position has also been verified with him.

As reflected in the previous framework report, the Board of Directors agrees with the considerations made in the report of the Appointments Committee.

## **4. Professional and biographical Director profile of Ignacio Martín San Vicente**

Ignacio Martín San Vicente was born in San Sebastián (Guipúzcoa) in 1955 and holds a degree in electrical engineering from the University of Navarra.



He has held several positions throughout his professional career including GKN Automotive International (1987-1998), where he was CEO in the United States and Group Managing Director for America. He was also Deputy Director General to the President of Alcatel Spain (1998-1999), Director of Operations Europe at GKN Automotive International (1999-2001) and Vice President of CIE Automotive, having previously held the positions of CEO (2002-2010) and Executive Vice President (2010-2011) at that company.

He currently holds the position of Independent Director at Bankoia-Credit Agricole. He is also a member of the Board of Directors at APD (Asociación para el Progreso de la Dirección) and member of the Strategic Board at CEIT (Centro de Estudios e Investigaciones Técnicas de Guipúzcoa).

#### **5. Membership on other boards of directors**

Ignacio Martín San Vicente García currently holds the position of director at Bankoia-Credit Agricole.

#### **6. Category of Director to which he should be assigned**

Should his reelection be approved, Ignacio Martín San Vicente would continue in his capacity as executive director, since he also carries out management duties in the Company and group because of his condition as chairman of the Board of Directors and CEO of Gamesa.

#### **7. Date of his first appointment as Director of the Company and positions held on the Board of Directors**

He was appointed as director by the Gamesa Board of Directors through the co-option procedure on 23 May 2012. Since said date and currently, he chairs said body and its Delegated Executive Committee, and is also the CEO of the Company.

#### **8. Shares of the Company and derivative financial instruments that have underlying shares in the Company, which she holds**

Ignacio Martín San Vicente directly holds 62,702 shares in the Company and, on the basis of the liquidation of the 2013-2015 Shares Plan approved by the General Shareholders Meeting on 19 April 2013, he is entitled to receive 94,879 additional shares.

#### **9. Resolution proposal**

The Board of Directors has concluded that the technical knowledge and experience of Ignacio Martín San Vicente justify submitting a proposal to the General Shareholders Meeting for ratification of his reelection as executive director of the company for a statutory term of four years.

The resolution proposal submitted to the General Shareholders Meeting for approval is the following:

**"Item Six on the Agenda: "Re-election of Mr. Ignacio Martín San Vicente as director of the Company, as an executive director, for the statutory period of four years."**

*To re-elect Mr. Ignacio Martín San Vicente as director for the period of four years established in the By-Laws. The re-election of the director, as executive director, is submitted by the Board of Directors to the Shareholders' General Meeting with the prior favourable report of the Appointments Committee."*

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# Report: Seventh item on the Agenda

Individual report drawn up by the Board of Directors of **Gamesa Corporación Tecnológica, S.A.** regarding the proposal for the reelection of Sonsoles Rubio Reinoso as non-executive proprietary director under item seven on the agenda of the General Shareholders Meeting.



**The Board of Directors at its meeting on 4 May 2016 approved the present individual report regarding the proposed reelection of Sonsoles Rubio Reinoso as non-executive proprietary director, included in item seven on the agenda of the General Shareholders Meeting of Gamesa Corporación Tecnológica, S.A., to be held in Zamudio (Bizkaia) at 12:00 pm on 21 June 2016, on the first call to convene, or on 22 June 2016, at the same place and time, on the second call to convene.**

## **1. Introduction**

This justification report was drawn up by the Board of Directors of Gamesa Corporación Tecnológica, S.A. ("**Gamesa**" or the "**Company**") in accordance with section 529 decies of the Corporate Enterprises Act, and also for the purposes of article 518 therein, in connection with the proposal to reelect Sonsoles Rubio Reinoso as director of the Company.

In this report, the professional and biographical profile of the candidate is individually evaluated, along with the other information required by current legislation and the Corporate Governance Standards.

## **2. Favorable report of the Appointments Committee**

In accordance with section 6 of Article 529 decies of the Corporate Enterprises Act and the Corporate Governance Standards of the Company, on 29 March 2016 the Appointments Committee issued a favorable report on the reelection of Sonsoles Rubio Reinoso as non-executive proprietary director of the Company for the statutory term of four years.

## **3. Justification of the proposal for reelection as member of the Board of Directors**

The Appointments Committee has verified that Sonsoles Rubio Reinoso satisfies the requirements established by law and in Corporate Governance Standards of the Company to discharge her duty as non-executive proprietary director of the Company Board of Directors. In particular and in the opinion of the committee, the candidate meets the requirements of proven reputation, solvency, competence and experience established in the Corporate Governance Standards of Gamesa.

Likewise, the Appointments Committee has verified that she is not involved, directly or indirectly, in any of the causes for incompatibility, prohibition, conflict or opposition of interests with the corporate interest, provided in the general provisions or in the Corporate Governance Standards of Gamesa. Additionally, the Committee examined and reached favorable conclusions insofar as the continuance of the circumstances driving the appointment of Sonsoles Rubio Reinoso and her performance at the post.

The candidate's effective availability to provide the dedication required for the performance of the position has been verified with her.

As reflected in the previous framework report, the Board of Directors agrees with the considerations made in the report of the Appointments Committee.



#### **4. Professional and biographical Director profile of Sonsoles Rubio Reinoso**

Sonsoles Rubio Reinoso was born in Segovia in 1969, and holds a degree in Economics and Business Administration from the Autónoma University of Madrid. She then pursued graduate studies at ICEA, the IESE Business School (University of Navarra) and the Center for Financial Studies. She is a *Certified Internal Auditor (Institute of Internal Auditors)*, *Certified Fraud Examiner (Association of Certified Fraud Examiners)*, *Certified Compliance&Ethics Professional (Society of Corporate Compliance and Ethics)* and *Leading Professional in Ethics & Compliance (Ethics & Compliance Initiative)*.

Mrs. Sonsoles Rubio has been the Compliance Director at Iberdrola, S.A. since January 2013. Her professional career has been fundamentally grounded in the field of internal auditing entities such as Repsol YPF, S.A., Holcim (Spain), S.A. and Iberdrola, S.A., the latter which she joined in 2008 as the Internal Audit Director of Iberdrola Renovables, S.A.

She is member of the Advisory Board of the Institute of Internal Auditors.

Throughout her career, she has published articles and appeared as a speaker in various national and international conferences.

The presence of a specialized profile in this the field of auditing is considered to be essential for an adequate composition of the Board of Directors so that debates can be enriched by multiple and diverse points of view.

#### **5. Membership on other boards of directors**

Sonsoles Rubio Reinoso currently holds no further directorship posts on any other boards of directors.

#### **6. Category of Director to which she should be assigned**

Should Mrs. Sonsoles Rubio Reinoso's reelection be approved, she will continue to be assigned to the category of Non-executive Proprietary Director, since her appointment was made at the proposal of Iberdrola, S.A. in its capacity of significant shareholder.

#### **7. Date of her first appointment as director of the Company and positions held on the Board of Directors**

She was appointed as Director by the Board of Directors of Gamesa through a co-option procedure on 14 December 2011 and currently holds no internal position therein.

She is a member of the Audit and Compliance Committee.

#### **8. Shares of the Company and derivative financial instruments that have underlying shares in the Company, which she holds**

Sonsoles Rubio Reinoso directly holds 1,030 shares in the Company.



## 9. Resolution proposal

The Board of Directors has concluded that the technical knowledge and experience of Sonsoles Rubio Reinoso justify submitting a proposal to the General Shareholders Meeting for ratification of her reelection as non-executive proprietary director of the company for a statutory term of four years.

The resolution proposal submitted to the General Shareholders Meeting for approval is the following:

**"Item Seven on the Agenda: "Re-election of Ms. Sonsoles Rubio Reinoso as director of the Company, as a non-executive proprietary director, for the statutory period of four years."**

*To re-elect Ms. Sonsoles Rubio Reinoso as director for the period of four years established in the By-Laws. The re-election of the director, as non-executive proprietary director, is submitted by the Board of Directors to the Shareholders' General Meeting with the prior favourable report of the Appointments Committee."*

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