

## **GAMESA CORPORACION TECNOLOGICA, S.A.- SIGNIFICANT EVENT**

**As per set in Section 82 of the Act 24/1988, of the Stock Exchange, GAMESA announces the following statement:**

The Board of Directors of GAMESA CORPORACIÓN TECNOLÓGICA, S.A. ("Gamesa" or the "Company") in its meeting held yesterday, February 25, 2015, has approved, among others, the following agreements:

### **First.- Preparation of the Annual Financial Statements, Management Report and proposal for the allocation of the profits/losses**

To prepare the Annual Financial Statements (Balance Sheet, Profit and Loss Statement, Statement of Changes in Shareholders' Equity, Statement of Cash Flows and Notes), the management report and the proposal for the allocation of the profits/losses of the Company, as well as the consolidated Annual Financial Statements (Balance Sheet, Profit and Loss Statement, Statement of Changes in Shareholders' Equity, Statement of Cash Flows and Notes) and the consolidated management report of the Company and its controlled companies for fiscal year 2014. The proposal for the allocation of the profits/losses, which is subject to the shareholders' approval acting at the General Shareholders' Meeting, includes the allocation of a dividend in cash out of results from fiscal year 2011 of a gross amount of 0.0825 Euro per each share of Gamesa attaching the right to receive it. This amount would be subject to the withholding applicable as of the date of the payment.

### **Second.- Annual Corporate Governance Report**

Approve the Annual Corporate Governance Report of the fiscal year 2014, prepared according to the *Circular 5/2013*, of June 12, of the *Comisión Nacional del Mercado de Valores*. According to the applicable legislation, the management reports mentioned in the first paragraph include the aforementioned Annual Corporate Governance Report.

### **Third.- Annual Report about the remunerations of the members of the Board of Directors**

Approve the Annual Report about the remunerations of the members of the Board of Directors for the fiscal year 2014, prepared according to *Circular 4/2013*, of June 12, of the *Comisión Nacional del Mercado de Valores*. This report will be submitted to consultative voting of the Shareholders' General Meeting.

### **Fourth. – Appointment of an external director and changes in the composition of the Executive Committee**

(i) Appoint Mr. Francisco Javier Villalba Sánchez by cooption, with prior report of the Appointments and Remuneration Committee, as a non-executive proprietary director at proposal of Iberdrola, S.A., significant shareholder of the Company, with the aim to fulfill the vacancy produced on February 17, 2015 by the resignation of Mr. Manuel Moreu Munaiz. The new director has accepted his appointment.

After the aforementioned appointment, to be submitted to the ratification of the first Shareholders' General Meeting of the Company to take place, the composition of the Board of Directors of the Company will be the one indicated in the annex of this significant event communication.

It is also annexed the report prepared by the Board of Directors that justifies in detail the appointment by cooption of Francisco Javier Villalba Sánchez in fulfillment of the provisions included in article 529 decies of the Capital Companies Act (*Ley de Sociedades de Capital*).

(ii) Acknowledge the resignation of Ms. Sonsoles Rubio Reinoso as member of the Executive Committee and appoint, with the previous report of the Appointments and Remuneration Committee, the external proprietary director Mr. Francisco Javier Villalba Sánchez as new member of the Executive Committee. He has accepted the post.

Consequently, the composition of the Executive Committee of the Company will be the one indicated in the annex to this significant event communication.

Zamudio (Vizcaya), February 26, 2015

Carlos Rodríguez-Quiroga Menéndez  
Secretary of the Board of Directors

**Annex**

**Composition of the Board of Directors of Gamesa Corporación Tecnológica, S.A.**

<b>Name</b>	<b>Post</b>	<b>Category</b>
Ignacio Martín San Vicente	Chairman and CEO	Executive
Juan Luis Arregui Ciarsolo	Deputy Chairman	External Independent
José María Vázquez Eguzquiza	Member	External Independent
Sonsoles Rubio Reinoso	Member	External Proprietary
Luis Lada Díaz	Member	External Independent
José María Aldecoa Sagastasoloa	Member	External Independent
José María Aracama Yoldi	Member	External Independent
Ramón Castresana Sánchez	Member	External Proprietary
Francisco Javier Villalba Sánchez	Member	External Proprietary
Carlos Rodríguez-Quiroga Menéndez	Secretary member	Executive

**Composition of the Executive Committee of Gamesa Corporación Tecnológica, S.A.**

<b>Name</b>	<b>Post</b>	<b>Category</b>
Ignacio Martín San Vicente	Chairman	Executive
Juan Luis Arregui Ciarsolo	Member	External Independent
Luis Lada Díaz	Member	External Independent
José María Aldecoa Sagastasoloa	Member	External Independent
Francisco Javier Villalba Sánchez	Member	External Proprietary
Carlos Rodríguez-Quiroga Menéndez	Secretary non member	N/A

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**REPORT PREPARED BY THE BOARD OF DIRECTORS OF  
GAMESA CORPORACIÓN TECNOLÓGICA, S.A., IN  
CONNECTION WITH THE INTERIM APPOINTMENT OF  
MR FRANCISCO JAVIER VILLALBA SÁNCHEZ**

In Madrid, on February 25, 2015, the Board of Directors of Gamesa Corporación Tecnológica, S.A. ("**Gamesa**" or the "**Company**") approves unanimously to issue this report justifying the interim appointment of Mr. Francisco Javier Villalba Sánchez as Director of the Company, within the category of external proprietary.

**1. OBJECT AND LEGAL FRAME**

This report is prepared according to the provisions of article 529 decies 5. of the Royal Legislative Decree 1/2010, of July 2, that approves the restated text of the Capital Companies Act (*Real Decreto Legislativo 1/2010, de 2 de Julio, por el que se aprueba el texto refundido de la Ley de Sociedades de Capital*) (the "**Capital Companies Act**").

As provided by the *Capital Companies Act* and the corporate governance regulations of the Company, the interim appointment of Mr Francisco Javier Villalba Sánchez will be submitted to the shareholders for ratification at the next General Shareholders' Meeting of the Company.

**2. APPOINTMENT PROPOSAL**

It is approved that the existing vacancy after the resignation of Mr. Manuel Moreu Munaiz shall be filled through the interim appointment of Mr. Francisco Javier Villalba Sánchez, candidate proposed by Iberdrola, S.A., significant shareholder of the Company.

**3. FAVORABLE REPORT BY THE APPOINTMENTS AND REMUNERATION COMMITTEE**

According to article 529 decies 6. of the *Capital Companies Act* and article 19.2 of the *Board of Directors Regulations*, the Appointments and Remuneration Committee of the Company prepared on February 19, 2015, the corresponding favorable report regarding the interim appointment of Mr. Francisco Javier Villalba Sánchez as member of the Board of Directors of the Company, with the status of external proprietary director.

**4. RATIONALE FOR THE PROPOSAL**

The Appointments and Remuneration Committee has verified that Mr Francisco Javier Villalba Sánchez meets the requirements established in the law and the internal regulations of corporate governance of the Company to hold the post as non-executive member of the Board of Directors of the Company; in particular, in the opinion of the Committee, the candidate meets the requirements of recognized honorability, solvency, competence and experience, established in the corporate governance regulations of the Gamesa.

Likewise, the Appointments and Remuneration Committee has verified that he is not affected, directly or indirectly, by any of the instances of incompatibility with, or prohibition against holding such office or by having interests that conflict with, or are contrary to, the corporate interest as set forth in provisions of a general nature or in Gamesa's corporate governance regulations.

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In the opinion of the Appointments and Remuneration Committee, the interim appointment of Mr. Francisco Javier Villalba Sánchez as director of the Company fulfills the provisions of corporate governance of the Company in regard to the proportion that may exist between executive and non-executive directors as, if finally appointed, the aforementioned proportion shall be 2 to 8, being the non-executive directors a clear majority.

In addition, after his appointment the composition of the Board of Directors shall be as follows:

<b>Name</b>	<b>Post</b>	<b>Category</b>
Ignacio Martín San Vicente	Chairman and CEO	Executive
Juan Luis Arregui	Deputy Chairman	Independent
José María Vázquez	Member	Independent
Sonsoles Rubio	Member	Proprietary
Luis Lada	Member	Independent
José María Aldecoa	Member	Independent
Ramón Castresana	Member	Proprietary
José María Aracama	Member	Independent
Carlos Rodríguez-Quiroga	Secretary member	Executive
Francisco Javier Villalba	Member	Proprietary (see section 5)

As observed, 20% of the Board shall be integrated by executive directors and 80% by non-executive Directors (30% external proprietary directors and 50% external independent directors).

Thus, in opinion of the Appointments and Remuneration Committee, the requirement of an existing reasonable balance between external proprietary and external independent directors is fulfilled, regarding the property structure of the Company, the importance in absolute and comparative terms of the significant shares stocks, as well as the permanence, commitment and strategic relationship of Iberdrola, S.A. with the Company.

Likewise, the Committee mentioned in its report that after the appointment, if applicable, of Mr. Francisco Javier Villalba Sánchez as member of the Board of Directors, the proportion of independent Directors of the Company shall be of 50%, fulfilling the Company from the very first day with the recommendation number 17 of the recently approved Code of good governance, in its speciality for companies with high capitalization.

Finally, the recommendation number 16 of the new Code of good governance establishes the proportion between external proprietary directors and the total of non –executive directors not having to be higher than the percentage of the share capital of the shareholder represented in the Board (in our case, the 19.687% according to the information registered on the National Stock Market Commission (*Comisión Nacional del Mercado de Valores*)).

Nevertheless, this recommendation is expressly mitigated by the Code of good governance for the companies with high capitalization, among these the Company, as long as the share participations that are legally qualified as significant are scarce. In this respect, there are three shareholders that formally count (without prejudice that some of them may act on behalf of their clients) with a significant participation, even though all of them are near the limit of 3% of the share capital. In consideration of the aforementioned, in opinion of the Committee the Company fulfills this recommendation because: (i) the recommendation is qualified for the companies with high capitalization, as the Company; (ii) the presence of significant shareholders is narrow (they are, also in the legal limit of the significant participation); and (iii) is has to be counted the level of permanence, commitment and strategic relationship of Iberdrola, S.A. with the Company.

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Having in consideration all aforementioned, the Board of Directors subscribes the considerations included in the report of the Appointments and Remuneration Committee.

## **5. THE CANDIDATE. NOTEWORTHY EXPERIENCE FOR THE HOLDING OF HIS POSITION IN THE COMPANY**

Mr. Francisco Javier Villalba Sánchez was born in Valencia in 1951 and is Civil Engineer by the Polytechnic University of Valencia. He has also fulfilled a Program of Development of Senior Management in the Management School of IESE Business School (University of Navarra).

Nowadays and since 2010, he holds the post of general director of Networking Business of the Iberdrola group.

As remarkable experience for the performance of his post in Gamesa, Mr. Villalba Sánchez has hold senior management posts in Hidroeléctrica Española and, afterwards, in the Iberdrola group, where he has contributed to the development of the generation business in the nuclear, thermic and hydraulic and networking areas, in which he has hold, 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)
- Civil Works Manager in the construction of the Nuclear Power Station of Cofrentes (1976-1984)

In this frame, Mr. Villalba Sánchez provides the Board of Directors with a profile that is considered as valuable for Gamesa, with large relevant experience for the performance of his post.

## **6. MEMBERSHIP IN OTHER BOARD OF DIRECTORS**

<b>COMPANIES</b>	<b>POST</b>
Elektro Electricidade e Serviços, S.A.	Chairman director
Iberdrola USA Networks, Inc.	Chairman director
Iberdrola Distribución Eléctrica, S.A.	Chairman director
Iberdrola Redes España, S.A.	Joint Administrator
Scottish Power Energy Networks Holdings Ltd.	Chairman director

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## **7. TYPOLOGY OF DIRECTOR TO BE ASSIGNED**

According to article 529 duodecies 3 of the *Capital Companies Act*, article 34.1.b (i) of the *By-Laws*, and 8.1.b) of the *Board of Directors Regulations*, Mr. Villalba Sánchez will be included in the category of “**external proprietary**”, as his appointment will be carried out after the proposal of Iberdrola, S.A. in his condition of significant shareholder.

## **8. SHARES OF THE COMPANY AND DERIVATIVE FINANCIAL INSTRUMENTS WHOSE UNDERLYING ASSETS ARE SHARES OF THE COMPANY OF WHICH HE IS THE HOLDER**

Mr Francisco Javier Villalba Sánchez does not directly or indirectly hold any shares of the Company, neither does he hold financial derivative instruments which have shares of the Company as their underlying asset.

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