

**EXPLANATORY REPORT REGARDING THE ASPECTS OF THE EQUITY STRUCTURE
AND THE GOVERNANCE AND CONTROL SYSTEM OF THE COMPANY
SET FORTH IN ARTICLE 116 BIS OF THE SECURITIES MARKET LAW,
PREPARED BY THE BOARD OF DIRECTORS OF
"GAMESA CORPORACIÓN TECNOLÓGICA, S.A."**



In compliance with the provisions set forth in Article 116 bis of the Securities Market Law 24/1988, of July 28, the Board of Directors of Gamesa Corporación Tecnológica, S.A. approves, at its meeting held on April 22, 2009, to make available to the shareholders this report explaining the matters which, in compliance with such Article, have also been included in the Management Report supplemental to the annual financial statements for fiscal year ended on December 31, 2008.

- a) *Equity structure, including the securities that are not traded on a regulated market in the European Community, specifying, if applicable, the different classes of shares and, for each class of shares, the rights and obligations attaching thereto and the percentage of share capital that they represent.***

As provided in Article 4 of the Revised Text of the Articles of Association of Gamesa Corporación Tecnológica, S.A. approved by the General Shareholders' Meeting held on May 25th, 2007, *"the share capital is FORTY ONE MILLION THREE HUNDRED AND SIXTY THOUSAND NINE HUNDRED AND EIGHTY THREE EUROS SIXTY EIGHT CENTS (41,360,983.68 euros), divided into TWO HUNDRED AND FORTY THREE MILLION TWO HUNDRED AND NINETY NINE THOUSAND NINE HUNDRED AND FOUR (243,299,904) shares represented by account entries of SEVENTEEN CENTS (0.17 euros) nominal value each, which make up a single class and series"*.

- b) *Any restriction on the transferability of shares.***

There are no restrictions on the transferability of shares of Gamesa Corporación Tecnológica, S.A.

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c) Direct or indirect significant interests in the share capital.

Per public information held by GAMESA CORPORACIÓN TECNOLÓGICA, S.A., the shareholder structure of GAMESA at December 31, 2008 was as follows:

Name or company name of shareholder	Number of direct voting rights	Number of indirect voting rights (*)	% of total voting rights
IBERDROLA, S.A.	58,276,348	0	23.952
LOLLAND, S.A.	0	12,164,995	5.000
BLACKROCK INVESTMENT MANAGEMENT (UK) LIMITED¹	0	8,188,269	3.366
MARSICO CAPITAL MANAGEMENT, LLC²	0	7,549,862	3.103
BARCLAYS BANK PLC³	0	7,327,765	3.012

(*) Through:

Name of the holder of the direct ownership interest	Number of direct voting rights	% of total voting rights
Casa Grande de Cartagena, S.L.	12,164,995	5.000
Blackrock Global Funds	7,370,487	3.029
Barclays Global Investors NA	4,666,492	1.918
Barclays Global Investors LTD	1,503,593	0.618
Barclays Global Investors (Deutschland) AG	104,619	0.043
Barclays Global Fund Advisors	1,053,489	0.433

¹ With respect to the significant ownership interest of BLACKROCK INVESTMENT MANAGEMENT (UK) LIMITED, not all the direct holders of the voting rights of GAMESA CORPORACIÓN TECNOLÓGICA, S.A. appear, since the company did not communicate, pursuant to Article 34 of Royal Decree 1362/2007, the identity of the direct holders of 0.337% of the total voting rights of GAMESA CORPORACIÓN TECNOLÓGICA, S.A.

² With respect to the significant ownership interest of MARSICO CAPITAL MANAGEMENT, LLC, not all the direct holders of the voting rights of GAMESA CORPORACIÓN TECNOLÓGICA, S.A. appear, since the company did not communicate the identity thereof pursuant to Article 34 of Royal Decree 1362/2007, since it declared that none of its clients held 3% or more of the voting rights of GAMESA CORPORACIÓN TECNOLÓGICA, S.A.

³ With respect to the number of direct voting rights stated corresponding to Barclays Global Investors NA, Barclays Global Investors LTD, Barclays Global Investors (Deutschland) AG and Barclays Global Fund Advisors, as a result of the lack of official numbers in the registers of the Spanish National Securities Market Commission and in the registers of GAMESA CORPORACIÓN TECNOLÓGICA, S.A., the aforementioned number was calculated on the basis of the rounded off percentage of voting rights that appear in the notification issued by Barclays Bank PLC to the Spanish National Securities Market Commission, with registry entry date of 26 November 2008.

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d) Any restrictions on voting rights

There are no restrictions on the exercise of voting rights.

At the Annual General Meeting held on May 25, 2007 the shareholders resolved to amend article 13 of the Articles of Association and article 11 of the Regulations for the General Meeting of Shareholders, in order to reduce from three hundred (300) to one (1) the minimum number of shares to exercise the rights to attend and vote at General Meetings of the Shareholders.

e) Private shareholders' agreements

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

f) Regulations applicable to the appointment and replacement of members of the board of directors and the amendment of the articles of association

Rules applicable to the appointment and replacement of the members of the Board of Directors

Appointment

Per Article 17 of the Bylaws of Gamesa Corporación Tecnológica, S.A. and Article 18 of the Regulations of the Board of Directors, the members of the latter are designated by the shareholders at the Annual General Meeting with the proviso that *"if any vacancies arise during the term for which the Directors were appointed, the Board may designate the persons to occupy such vacancies from among the shareholders until such time as the next General Meeting may be convened"* in conformity with the provisions laid down in the Spanish Companies Law and the Company Bylaws.

In accordance with Article 18.2 of the Regulations of the Board of Directors *"proposals for the appointment of directors submitted by the Board of Directors for consideration by the shareholders at the Annual General Meeting and the appointment decisions adopted by this body by virtue of its powers of co-optation attributed to it by law must be preceded by the related proposal from the Appointments and Remuneration Committee, in the case of independent directors, and based on a prior report of this Committee, in the case of the other directors"*. The Board of Directors, according to Article 18.3 of its Regulations, may fail to heed the proposal or report of the Appointments and Remuneration Committee and in such event it must give the reasons for which it has taken that course of action and record such reasons in the minutes.

Article 19 of the Regulations adds that *"the Board of Directors and the Appointments and Remuneration Committee, shall endeavour to ensure that the elected candidates are persons of renowned integrity, solvency, competence and experience and it must be especially thorough in relation to persons proposed as independent Board members."*

In the case of a director (legal entity), the conditions of integrity, solvency, competence and experience indicated in the preceding paragraph will also be claimable for the natural person representing the director. The duties of the director as established in the Board of Directors' Regulations will also be claimable for the representative on a persona basis."

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Re-election

As regards the re-election of directors, Article 20 of the Regulations of the Board of Directors establishes that *"the proposals for the re-election of directors which the Board of Directors decides to submit to the shareholders at the Annual General Meeting shall be subject to a formal assessment process, which will necessarily include a proposal or report issued by the Appointments and Remuneration Committee"*.

Removal

The removal of directors is regulated by Article 22 of the Regulations of the Board of Directors which states *"Board members shall be removed from their positions when the period for which they were appointed has expired, without prejudice to the possibility of re-election, and when so decided by the share holder at the Annual General Meeting. Also, the Board of Directors may propose the removal of a director to the shareholders at the Annual General Meeting"*.

The procedures and criteria to be followed in the case of removal shall be as established in the Spanish Companies Law and the regulations of the Mercantile Registry.

As established in Article 22.2 of the Regulations of the Board of Directors *"the directors must tender their resignation to the Board of Directors and resign if the latter, based on a report by the Appointments and Remuneration Committee, deems it appropriate, in the following cases:*

- a) In the case of nominee directors, where these or the shareholder they represent may cease to hold a significant, stable interest in the Company, or where the shareholder may revoke the representation.
- b) In the case of executive directors, provided that the Board sees fit.
- c) In the case of non-executive directors, where these may be appointed to executive office in the Company or in any of the Group companies.
- d) In the case of independent directors, where, for any reason, they meet any of the conditions enumerated in Article 7.1 of these regulations, which are incompatibility with the office of independent director.
- e) When they become subject to any incompatibility or prohibition provided for by law, the bylaws or this regulation.
- f) When they are prosecuted for a purportedly criminal action or have a court order issued against them initiating trial proceedings for any of the crimes set out in Article 124 of the Spanish Companies Law or disciplinary proceedings are brought against them by the supervisory bodies for serious or gross misconduct.
- g) When they reach the age of 70. The Chairman, the Deputy Chairmen, the CEOs, the Secretary and Deputy Secretary of the Board shall cease to hold office at 65 years of age, although they may continue to be directors. Directors shall leave office at the first meeting of the Board of Directors to take place after the Annual General Meeting at which the shareholders approve the financial statements for the year in which the Director in question reaches the aforementioned age.

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- h) When they cease to occupy the executive positions associated with their appointment as directors.
- i) When they have been seriously reprimanded by the Audit and Compliance Committee or have been seriously penalised by any public authority for having infringed their duties as directors.
- j) When their remaining on the Board of Directors could put the Company's interests at risk or when the reasons for which they were appointed no longer exist.

Rules applicable to the amendment of the Company's bylaws

The amendment of the bylaws of Gamesa Corporación Tecnológica, S.A. is governed by the provisions of Article 144 of the Spanish Companies Law and shall not require any qualified majority other than that established in Article 103 of the aforementioned law.

Article 6 of the Regulations of the Annual General Meeting expressly includes the amendment of the bylaws to be a competence of this body.

g) *Powers of the members of the board of directors and, specifically, those regarding the possibility of issuing or repurchasing shares.*

At its meeting of May 25, 2007 the Board of Directors of Gamesa Corporación Tecnológica, S.A. unanimously resolved, subject to the favourable report of the Appointments and Remuneration Committee, to appoint the Chairman of the Board of Directors, Mr. Guillermo Ulacia Arnaiz, as the Chief Executive Officer of the Company, and to delegate to the same all of the powers corresponding to the Board of Directors in accordance with the Law and the Articles of Association, except such as may not be delegated. This appointment was accepted by Mr. Ulacia at the same meeting.

Power related with the possibility of issuing or buying back shares

At the date of approval of this Report, the authorisation given by the Annual General Meeting of the Shareholders held on May 30, 2008 by virtue of which the Board of Directors is permitted to acquire treasury shares remains in effect. The resolution adopted by the aforementioned General Meeting on point six of the Agenda is transcribed below:

"Expressly to authorise the Board of Directors, in accordance with Article 75 of the consolidated text of the Spanish Corporations Law, to proceed with the derivative acquisition of shares of GAMESA CORPORACIÓN TECNOLÓGICA, S.A. under the following conditions:

a.-The acquisitions may be made either directly by GAMESA CORPORACIÓN TECNOLÓGICA, S.A. or indirectly via subsidiaries.

b.-The acquisitions of shares, which shall be fully paid-up and free of charges and/or liens shall be made via purchase and sale transactions, swaps or in any other manner permitted by Law.

c.-The acquisitions may be made at any time up to the maximum amount permitted by Law, such that treasury shares, including those already held by the Company, do not exceed 5% of share capital.

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d.-The minimum price for the shares shall be their par value and the maximum price shall not be more than 5% above the quoted price at the date of acquisition.

e.-A restricted reserve may be recorded on the liability side of the Company's balance sheet equal to the amount of the treasury shares included as assets. This reserve shall be maintained until such time as the shares may be disposed of or redeemed.

f.-The shares acquired may subsequently be disposed of under the terms and conditions freely established.

g.-This authorisation is granted for a maximum period of 18 months, and it expressly revokes the authorisation granted by the Annual General Meeting of the Shareholders of the Company held on 25 May 2007 with regard to the unused part of the same.

For the purposes of paragraph 2, section 1 of Article 75 of the consolidated text of the Spanish Corporations Law, the General Meeting of the Shareholders expressly authorises the acquisition of shares of the Company by any of the subsequently under the terms and conditions established in this resolution.

Finally, and pursuant to the last paragraph, section 1 of Article 75 of the consolidated text of the Spanish Corporations Law (in the wording established by Law 55/1999, of 29 December), it is hereby established that the shares acquired by virtue of this authorisation may be used by the Company, inter alia, for transfer to employees or directors of the Company either directly or as a consequence of the exercise of the rights, whether options or any others included in Incentive Plans, of which the same may be the holders and/or beneficiaries, pursuant to the pertinent legal, statutory or regulatory provisions."

h) *Significant agreements entered into by the Company and which are to become effective, be amended or terminate upon a change of control in the company as a result of a public tender offer, and effects thereof, except in those cases where the disclosure thereof would be seriously detrimental to the Company. Such exception shall not apply when the Company is under a legal duty to make such information public.*

It is to be mentioned the Stock Options Plan 2005, approved by the shareholders at the General Meeting held on May 28, 2004.

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- i) ***Agreements between the Company and its directors and managers or employees that provide for severance pay if such directors, managers or employees resign or are dismissed without cause or if the employment relationship is terminated as a result of a public tender offer.***

The President and Chief Executive Officer and certain members of the Company's management team are contractually entitled to receive financial compensation in the event of the termination of relations on grounds attributable to the Company, and in certain cases due to the occurrence of objective circumstances, such as a change of control. The financial compensation agreed in relation to such termination consists, in general terms, of the payment of fixed and variable remuneration corresponding to different periods, to a maximum of three years, depending on the personal and professional circumstances of the officer concerned, and the time at which the contract was signed.

The employees, not included in the Company's management team, generally are not contractually entitled to receive any financial compensation, in the event of the termination of relations, other than such as may be established in the regulations apply.

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