GAMESA CORPORACIÓN TECNOLÓGICA, S.A. - SIGNIFICANT EVENT

As per section 228 of the restated text of the Securities Market Law approved by the Royal Legislative Decree 4/2015, of 23 October (*texto refundido de la Ley del Mercado de Valores aprobado por el Real Decreto Legislativo 4/2015, de 23 de octubre*) and related provisions, and further to the communication of significant event dated 17 June 2016 (with number 239,868 of the official records), the Company announces the following statement:

Today, the Board of Directors of Gamesa Corporación Tecnológica, S.A. ("**Gamesa**") and the sole director of Siemens Wind HoldCo, S.L. Sociedad Unipersonal[1] ("**Siemens Wind HoldCo**") have approved the common terms of the statutory merger pursuant to which the business of Gamesa and the wind power business of Siemens will be combined by way of the absorption (*fusión por absorción*) of Siemens Wind HoldCo (as absorbed entity) into Gamesa (as absorbing company). The common terms of merger approved are attached hereto.

As already announced, Siemens will receive, pursuant to the agreed exchange ratio, shares in Gamesa representing 59% approximately of its share capital after the consummation of the merger, whereas Gamesa's existing shareholders will hold the remaining 41% approximately. As it is set out in the common terms of merger, the share capital of Siemens Wind Holdco prior to the granting of the public deed of merger will amount to EUR 68,318,681.15, divided into 401,874,595 shares (*participaciones sociales*), each with a nominal value of EUR 0.17. As a result, the exchange ratio shall be one share of Gamesa for each share of Siemens Wind Holdco.

The effectiveness of the merger is subject to the approval by Gamesa's shareholders and to other customary conditions such as merger control clearances and Siemens obtaining the exemption from the Spanish stock market regulator (CNMV) contemplated in Article 8 g) of Royal Decree 1066/2007, of July 27, so it is not required to launch a mandatory takeover bid following completion of the merger.

In Madrid, 27 June 2016

Ignacio Martín San Vicente

Executive Chairman

[1] A wholly owned company of Siemens Aktiengesellschaft ("**Siemens**").

NOTICE: This document is a translation of a duly approved Spanish-language document, and is provided for informational purposes only. In the event of any discrepancy between the text of this translation and the text of the original Spanish-language document which this translation is intended to reflect, the text of the original Spanish-language document shall prevail.

IMPORTANT INFORMATION

This communication does not constitute an offer to purchase, sell or exchange or the solicitation of an offer to purchase, sell or exchange any securities. The shares of Gamesa may not be offered or sold in the United States of America except pursuant to an effective registration statement under the Securities Act or pursuant to a valid exemption from registration.

This announcement includes forward-looking statements, such as Gamesa's and Siemens's beliefs and expectations regarding the proposed combination of the Combined Business. These statements are based on certain assumptions and reflect Gamesa's and Siemens's current expectations.

Forward looking statements also include statements about Gamesa's and Siemens's beliefs and expectations related to the proposed Transaction, benefits that would be afforded to customers, benefits to the Combined Business that are expected to be obtained as a result of the proposed merger, as well as the parties' ability to enhance shareholder value through, among other things, the delivery of expected synergies.

There can be no assurance that the proposed merger will be consummated or that the anticipated benefits will be realised. The proposed merger is subject to various regulatory approvals and the fulfilment of certain conditions, and there can be no assurance that any such approvals will be obtained and/or such conditions will be met. All forward-looking statements in this announcement are subject to a number of risks and uncertainties that could cause actual results or events to differ materially from current expectations. These risks and uncertainties include: the ability to achieve the cost savings and synergies contemplated through the merger; the failure of Gamesa shareholders to approve the proposed merger; the effect of regulatory conditions, if any, imposed by regulatory authorities; the reaction of Gamesa's and Siemens's customers, employees and suppliers to the proposed merger; the ability to promptly and effectively integrate the businesses of Gamesa and Siemens; and the diversion of management time on merger-related issues.

Any forward-looking statements made by or on behalf of Gamesa or Siemens speak only as of the date they are made. Gamesa and Siemens each disclaim any intention or obligation to update or revise any forward-looking statements, whether as a result of new information, future events or otherwise

This document contains statements related to our future business and financial performance and future events or developments involving Siemens and Gamesa that

may constitute forward-looking statements. These statements may be identified by words such as "expect," "look forward to," "anticipate" "intend," "plan," "believe," "seek," "estimate," "will," "project" or words of similar meaning. We may also make forward-looking statements in other reports, in presentations, in material delivered to shareholders and in press releases. In addition, our representatives may from time to time make oral forward-looking statements. Such statements are based on the current expectations and certain assumptions of Siemens' and Gamesa's management, of which many are beyond Siemens' and/or Gamesa's control. These are subject to a number of risks, uncertainties and factors, including, but not limited to those described in disclosures, in particular in the chapter Risks in the respective Annual Report. Should one or more of these risks or uncertainties materialize, or should underlying expectations not occur or assumptions prove incorrect, actual results, performance or achievements of Siemens and/or Gamesa may (negatively or positively) vary materially from those described explicitly or implicitly in the relevant forward-looking statement. Siemens neither intends, nor assumes any obligation, to update or revise these forward-looking statements in light of developments which differ from those anticipated.

ANNEX. COMMON TERMS OF MERGER

Common Terms of Merger

BETWEEN

Gamesa Corporación Tecnológica, S.A.

(*as absorbing company*)

AND

Siemens Wind HoldCo, S.L. (Sociedad Unipersonal)

(*as absorbed company*)

Madrid, 27 June 2016

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1. INTRODUCTION

For purposes of Articles 30, 31 and related provisions of Act 3/2009 of 3 April on structural changes in business corporations (the "**Spanish Structural Changes Act**"), the undersigned, in their capacity as members of the Board of Directors of Gamesa Corporación Tecnológica, S.A. ("**Gamesa**") and as sole director of Siemens Wind HoldCo, S.L. (Sociedad Unipersonal) ("**Siemens Wind Power Parent**" and together with Gamesa, the "**Parties**" or the "**Merging Companies**"), respectively, prepare and sign these common draft terms of merger (*proyecto común de fusion*) (hereinafter, the "**Common Terms of Merger**"), which shall be subject to the approval of the General Shareholders' Meeting of Gamesa and the Siemens Wind Power Parent Shareholder (as defined in Clause 3.2 below) in accordance with the provisions of Article 40 of the Spanish Structural Changes Act, as well as to the rest of the conditions contained in Section 11 below. Siemens Wind Power Parent is a wholly-owned subsidiary of Siemens Aktiengesellschaft ("**Siemens**").

On 17 June 2016, Gamesa and Siemens entered into a merger agreement (the "**Merger Agreement**") whereby both parties agreed on the terms and conditions pursuant to which Gamesa and the Siemens Wind Power Business (as defined in **Annex 1**) would be combined by way of a statutory merger by absorption (*fusión por absorción*) (the "**Merger**" or the "**Transaction**") and, therefore, in the context of the Merger, Siemens Wind Power Parent, as absorbed entity, will be absorbed into Gamesa, as absorbing company.

The text of the Common Terms of Merger is as follows.

2. RATIONALE FOR THE MERGER

The rationale for the Merger is described as follows:

(A) The combination of Siemens Wind Power Business and Gamesa (the "**Combined Business**") is based on a compelling industrial logic and will result in the creation of a strong global player in the wind turbine sector. Siemens Wind Power Business and Gamesa will benefit from highly complementary strengths in terms of global footprint and existing competitive product portfolios, resulting in the Combined Business being well positioned to address the future needs of the sector. In particular, through the respective positioning of the Siemens Wind Power Business and Gamesa the Combined Business will benefit from attractive growth prospects in both the onshore and the offshore businesses.

(B) Once the Merger is approved by the General Shareholders' Meeting of Gamesa and by the Siemens Wind Power Parent Shareholder, the Combined Business will have a global reach across all important regions and manufacturing footprint in all main continents. Siemens Wind Power Business has a foothold in the US and Europe and Gamesa has a position in the fast growing emerging markets such as India and Latin America.

(C) The Combined Business will be further supported by the combined product range:

(i) In the onshore business, Gamesa with a competitive cost efficient product portfolio can help further strengthen the onshore business of Siemens Wind Power Business. Siemens Wind Power Business will contribute a wide product

platform which is especially competitive in position restricted markets and can complement Gamesa's offering.

(ii) In Siemens Wind Power Business' well established offshore business, the Combined Business will be able to increase its global reach in this segment by building upon Gamesa's diverse footprint, complementary regional setup and execution strength.

As a result, the Combined Business will benefit from its high exposure to the two fastest growing segments of the wind turbine manufacturing sector: emerging markets and offshore. In addition, the installed base of the Combined Business of approximately more than 69 GW creates potential for significant operation and maintenance business.

(D) The combination of Siemens Wind Power Business and Gamesa also provides significant potential for synergies. The Combined Business will use its combined resources to optimize its production network, procurement and R&D strategy, to achieve economies of scale and to lead to a further competitive cost structure. Furthermore, cross-selling potential is expected due to complementary geographies and rather limited customer overlap.

(E) Lastly, the Combined Business will be one of the main players globally by installed capacity, order entry and revenue, thus being well positioned to offer global coverage to customers and optimized logistics solutions due to close customer proximity. Comprehensive offerings include: wind turbine supply, both in onshore and offshore, wind farm development, operation and maintenance of wind farms, extended scope in the offshore business and turnkey solutions. Additionally, Gamesa is exploring to expand its offering in renewables to solar activities as well.

3. IDENTIFICATION OF THE MERGING COMPANIES

3.1 Gamesa (absorbing company)

Gamesa Corporación Tecnológica, S.A. is a Spanish listed public limited liability company (*sociedad anónima cotizada*) with registered office at Zamudio (Spain), Parque Tecnológico de Bizkaia, Edificio 222, holding tax identification number A-01011253, and registered with the Commercial Registry of Vizcaya, at Volume 5147, Sheet 7, Page BI-56858.

The share capital of Gamesa is equal to EUR 47,475,693.79, represented by book entries, and consists of 279,268,787, fully subscribed and paid-up common stock shares of EUR 0.17 nominal value each, with identical rights and a single class and series, and admitted to trading on the Madrid, Barcelona, Valencia, and Bilbao Stock Exchanges through the Automated Quotation System (*Sistema de Interconexión Bursátil*) (Continuous Market). The book-entry system is held by Sociedad de Gestión de los Sistemas de Registro, Compensación y Liquidación de Valores, S.A. (Sociedad Unipersonal) ("**IBERCLEAR**").

As of closing of the last trading session of the Spanish Stock Exchanges prior to the date hereof, Gamesa holds 2,421,032 of its own shares as treasury stock. Pursuant to the Merger Agreement, Gamesa has agreed not to make any dealing with (including the granting of any option for a third part to acquire) treasury stock (or voting rights inherent thereto) from the date of the Merger Agreement until the date of registration of the notarial deed formalising

the Merger resolutions (*escritura de fusión*) (the "**Public Deed of Merger**") with the Commercial Registry of Vizcaya (the "**Merger Effective Date**"), except: (i) up to 31 December 2016 pursuant to, and in accordance with, the terms of the liquidity agreement currently in force with Santander Investment Bolsa, Sociedad de Valores, S.A., dated 30 October 2012 and reported to the National Securities Market Commission (*Comisión Nacional del Mercado de Valores*) (the "**CNMV**") as notice of significant event (*hecho relevante*) on 31 October 2012, with registry number 176,071, and in any event in the ordinary course of business and consistent with past practice; and (ii) in order to comply with Gamesa's commitments under Gamesa's Long Term Incentive Stock Plan for the period 2013 to 2015.

3.2 Siemens Wind Power Parent (as absorbed company) and Siemens

Siemens Wind HoldCo, S.L. (Sociedad Unipersonal) is a Spanish private limited liability company (*sociedad de responsabilidad limitada*) with a registered office at calle Aribau 171, Barcelona, holding tax identification number B-66447954, and registered with the Commercial Register of Barcelona, at Volume 44657, Sheet 209, Page B-462645.

Siemens Wind Power Parent changed its corporate name from Palmerdale, S.L. (Sociedad Unipersonal) to Siemens Wind HoldCo, S.L. (Sociedad Unipersonal) by means of decisions adopted by its sole shareholder on 2 June 2016. Such decisions were raised to public deed (*elevadas a público*) on 10 June 2016 before the Notary Public Mr. Antonio de la Esperanza Rodríguez under number 2,308 of his official records and was registered with the Commercial Registry of Barcelona on 14 June 2016 leading to the 5th entry in the page opened to the company in such Commercial Registry.

The share capital of Siemens Wind Power Parent as of the date of these Common Terms of Merger is equal to EUR 3,000, divided into 3,000 shares (*participaciones sociales*), each with a nominal value of EUR 1, fully assumed and paid-up.

It is expected that the registered office and the Commercial Registry in which Siemens Wind Power Parent is located and registered as described above, is changed, respectively, to the province of Vizcaya and to the Commercial Registry of Vizcaya, respectively, as soon as possible following the deposit of these Common Terms of Merger with the Commercial Registry of Barcelona, where Siemens Wind Power Parent is currently registered.

The entire share capital of Siemens Wind Power Parent is currently held by Siemens, a stock corporation incorporated in Germany, registered with the Commercial Registers (*Handelsregister*) of the local court (*Amtsgericht*) of Munich under HRB 6684 and the local court (*Amtsgericht*) of Berlin-Charlottenburg under HRB 12300, with registered office at Wittelsbacherplatz, 2, 80333 Munich, Germany, and listed on all German stock exchanges (i.e. the Stock Exchanges of Frankfurt, Stuttgart, Munich, Hannover, Düsseldorf, Berlin/Bremen, Hamburg and Xetra).

As a result of the Siemens Wind Power Carve-Out (as defined in Section 4.2.1 below), the share capital of Siemens Wind Power Parent will amount to EUR 68,318,681.15, divided into 401,874,595 shares (*participaciones sociales*), each with a nominal value of EUR 0.17, fully assumed and paid-up, for which purpose the current nominal value of each share (EUR 1, as mentioned above) will be amended so that it amounts to EUR 0.17.

Likewise, as a consequence of the Siemens Wind Power Carve-Out, in addition to Siemens, one or more companies within the Siemens group may also become shareholders of Siemens Wind Power Parent (each of Siemens and such shareholders, individually, a "**Siemens Wind Power Parent Shareholder**") and, consequently and pursuant to the Merger, may become also shareholders of Gamesa. All references made herein to the Siemens Wind Power Parent Shareholder shall be deemed to be made, if it had been more than one shareholder at Siemens Wind Power Parent, to all Siemens Wind Power Parent Shareholders from time to time.

4. STRUCTURE OF THE TRANSACTION

4.1 Description of the legal structure

The legal structure chosen to integrate the business of Gamesa and the Siemens Wind Power Business is that of a merger, upon the terms set forth in Articles 22, *et seq.* of the Spanish Structural Changes Act.

The Merger shall be accomplished by means of the absorption of Siemens Wind Power Parent (absorbed company) by Gamesa (absorbing company), with the dissolution without liquidation of the former and the *en bloc* transfer of all of its assets and liabilities to the latter, which shall acquire by universal succession all of the rights and obligations of Siemens Wind Power Parent.

The Siemens Wind Power Parent Shareholder shall receive shares in Gamesa as a result of the Merger, in accordance with the procedure and terms contained in Section 5 below.

4.2 Description of the carve-out of the Siemens Wind Power Business

4.2.1 Introduction

At the date of these Common Terms of Merger, the Siemens Wind Power Business is not held by a separate sub-group within the Siemens group but by various entities within it.

In order to allow for the integration of the Siemens Wind Power Business with Gamesa's business through the Merger, Siemens will implement an internal carve-out process, as a result of which the Siemens Wind Power Business shall be held, directly or indirectly, by Siemens Wind Power Parent (the "**Siemens Wind Power Carve-Out**"). The contractual rights and obligations in connection with the Siemens Wind Power Carve-Out shall be those set out in the Merger Agreement and shall not be deemed as limited, modified or amended by the terms of these Common Terms of Merger.

Save for (i) the portion of the Siemens Wind Power Business which is conducted by Siemens Nederland N.V. (the "**Dutch Siemens Wind Power Business**"), subject to the compliance with the applicable regulations for the protection of employees (the "**Dutch Condition Precedent**"), and (ii) the portion of the Siemens Wind Power Business which is conducted by Siemens SAS, in respect of which Siemens will, as soon as reasonably practicable but in any event prior to 31 October 2016, procure that Siemens Wind Power Parent will conclude a non-binding memorandum of understanding with Siemens SAS determining the terms and conditions under which the Separation Concept (as defined in the Merger Agreement) will be applicable to said portion of the Siemens Wind Power Business once the consultation process with the relevant employee representatives bodies at Siemens SAS (as applicable) is completed, the business activities of the Siemens Wind Power Business will be separated

from the other business activities carried out by Siemens and the Siemens group and transferred into a separate sub-group held in full by Siemens Wind Power Parent.

In order to structure the above-mentioned sub-group, legal entities shall be acquired or incorporated by Siemens Wind Power Parent or the current owners of the Siemens Wind Power Business (the "**Current Owners**") in the jurisdictions that Siemens may decide, which, as of the date of these Common Terms of Merger, are intended to be the following countries: Germany, the United States of America, the United Kingdom, Canada, Netherlands, Egypt, Morocco, Hungary, Singapore, Sweden, Turkey, Japan, Ireland, South Africa, Poland, Finland, Italy, Australia, Taiwan, Peru, Spain, Brazil, Greece, Romania, Chile, New Zealand, Belgium, Norway, Thailand, South Korea, Croatia, Czech Republic, Philippines and Austria (jointly, the "**Siemens Wind NewCos**").

Additionally, the Siemens Wind Power Business is, as of the date hereof, already partially separated in Siemens Wind Power A/S Denmark and Siemens Wind Power Blades (Shanghai) Co. Ltd. (jointly, the "**Existing Siemens Wind Companies**" and together with the Siemens Wind NewCos, the "**Siemens Wind Companies**"). However, the Existing Siemens Wind Companies also carry out certain activities and have certain assets and liabilities which do not pertain to the Siemens Wind Power Business and, therefore, shall be transferred, terminated, ceased o settled, as the case may be, on or prior to the Carve-Out Completion (as defined in Section 4.2.3 below).

The Siemens Wind Power Carve-Out shall be implemented through (i) the execution of the necessary written agreements between the Siemens Wind Companies and the Current Owners (the "**Local Transfer Agreements**") pursuant to which the Siemens Wind Power Business owned by them will be transferred to the Siemens Wind Companies and/or (ii) the acquisition, transfer or contribution of the shares in the Siemens Wind Companies to Siemens Wind Power Parent or to any of its subsidiaries owned at the date of the respective transfer by Siemens Wind Power Parent (the "**Local Share Transfer Agreements**"). As a result of the foregoing, Siemens Wind Power Parent shall become the direct or indirect owner of the Siemens Wind Power Business.

The process described above shall be implemented based on the following essential milestones:

4.2.2 Carve-Out Signing

The Siemens Wind Power Carve-Out will entail the signing by the Siemens Wind NewCos and the relevant companies within the Siemens group that are the owners as of the date hereof of the Siemens Wind Power Business of the Local Transfer Agreements and the Local Share Transfer Agreements (the "**Carve-Out Signing**").

The Carve-Out Signing shall be deemed to have been occurred once all the following events have taken place:

(i) the Local Transfer Agreements for the Siemens Wind Power Business carried out in Germany, the United States of America, the United Kingdom and Canada have been validly signed by the Current Owners in each of those countries and the Siemens Wind NewCos domiciled in each of those countries;

(ii) Siemens Wind Power A/S Denmark and Siemens, or any other member of the Siemens group, have signed a Local Transfer Agreement under which Siemens Wind Power A/S Denmark shall transfer to the relevant company within the Siemens group (other than any of the Siemens Wind Companies) the Excluded Assets, Excluded Liabilities and Excluded Activities (as defined in **Annex 1**), as well as any other assets, liabilities and activities not pertaining to the Siemens Wind Power Business, and

(iii) Siemens Wind Power Parent has entered into one or more Local Share Transfer Agreements with Siemens or any other company within its group, under which Siemens Wind Power Parent has, subject to the satisfaction of one or several conditions precedent and the prior effectiveness of the transfer (the "**Local Carve-Out Date**"), acquired a contractual right to obtain valid title, free of liens and encumbrances, in the shares of Siemens Wind Power A/S Denmark and the Siemens Wind NewCos domiciled in Germany, the United States of America, the United Kingdom and Canada.

Pursuant to the Merger Agreement, the Carve-Out Signing shall have occurred no later than by 31 December 2016. Until the Carve-Out Signing, Gamesa will not be under the obligation to convene its General Shareholders' Meeting that would resolve on the Merger.

4.2.3 Carve-Out Completion

In accordance with the Merger Agreement, Siemens shall procure that the Siemens Wind Power Carve-Out is completed by 31 July 2017 (the "**Carve-Out Final Long-Stop Date**").

Gamesa and Siemens have agreed that the Siemens Wind Power Carve-Out will be deemed to be completed once all the following events have taken place (the "**Carve-Out Completion**"):

(i) Siemens Wind Power Parent having acquired legal title, free of liens and encumbrances, at least, in all the shares in Siemens Wind Power A/S Denmark and the Siemens Wind NewCos domiciled in Germany, the United States of America, the United Kingdom and Canada;

(ii) the Local Carve-Out Date*, at least,* for the Local Transfer Agreements referred to in limbs (i) and (ii) of Section 4.2.2 has occurred;

(iii) Siemens having transferred to Siemens Wind Power Parent an amount equal to the aggregate of all the amounts to be paid pursuant to all the Deferred Local Share Transfer Agreements (as defined below);

(iv) Deferred Local Share Transfer Agreements (as defined below) having been entered into by and between Siemens Wind Power Parent and the respective Current Owners for the Deferred Siemens Wind Companies (as defined below);

(v) the Deferred Local Transfer Agreements (as defined below) have been entered into by and between Siemens Wind Power Parent and the respective Current Owner for the Deferred Siemens Wind Countries (as defined below); and

(vi) provided that the Dutch Condition Precedent has not been fulfilled prior to the Carve-Out Completion, the Deferred Local Transfer Agreement pertaining to the Dutch Siemens Wind Power Business having been entered into by and between Siemens Wind Power Parent and Siemens Nederland N.V., being closing conditional on the

fulfilment of the Dutch Condition Precedent and Siemens having transferred to Siemens Wind Power Parent an amount equal to the purchase price agreed upon the Local Transfer Agreement with respect to the Dutch Siemens Wind Power Business.

If the completion of certain Local Transfer Agreements and Local Share Transfer Agreements is either not legally permissible or legally or practically not feasible prior to or at the Carve-Out Completion, Deferred Local Transfer Agreements and Deferred Local Share Transfer Agreements (as applicable and as defined below) shall be entered into between Siemens Wind Power Parent, on the one hand, and the respective Current Owners, on the other hand.

For purposes of this Section 4.2.3:

(a) "**Deferred Local Share Transfer Agreements**" shall mean the Local Share Transfer Agreements to be entered into by and between Siemens Wind Power Parent, on the one hand, and the respective Current Owners, on the other hand, for the transfer of the shares in the Deferred Siemens Wind Companies (as defined below).

(b) "**Deferred Local Transfer Agreements**" shall mean the Local Transfer Agreements to be entered into by and between Siemens Wind Power Parent, on the one hand, and the respective Current Owners, on the other hand, for the transfer of the respective Current Owner's portion of the Siemens Wind Power Business in the Deferred Siemens Wind Countries (as defined below).

(c) "**Deferred Siemens Wind Companies**" shall mean those Siemens Wind Companies (other than Siemens Wind Power A/S Denmark and the Siemens Wind NewCos domiciled in Germany, the United States of America, the United Kingdom and Canada) with regard to which the conclusion of the Local Transfer Agreement and/or the transfer of shares is either not legally permissible or legally or practically not feasible prior to or at the Carve-Out Completion.

(d) "**Deferred Siemens Wind Countries**" shall mean the countries (i) with the registered seat of Current Owners whose respective portion of the Siemens Wind Power Business shall be transferred by way of an asset deal either directly to Siemens Wind Power Parent or a Siemens Wind NewCo directly held by Siemens Wind Power Parent at the Carve-Out Completion, provided Siemens has informed Gamesa prior to the Carve-Out Completion about its intention to transfer the respective portion of the Siemens Wind Power Business either to Siemens Wind Power Parent directly or to a Siemens Wind NewCo directly held by Siemens Wind Power Parent, lacking such timely information the respective portion of the Siemens Wind Power Business shall be deemed targeted for a transfer to a Siemens Wind NewCo not directly held by Siemens Wind Power Parent; and (ii) where the unconditional conclusion of a Local Transfer Agreement is either not legally permissible or legally or practically not feasible prior to or at the Carve-Out Completion.

The Deferred Local Share Transfer Agreements and the Deferred Local Transfer Agreements will contain the relevant consideration for the assets, liabilities, employees and contractual relationships to be transferred thereunder. Given that the consummation of these transfers would take place after the Merger Effective Date, Siemens has agreed to contribute to Siemens Wind Power Parent a cash amount representing the value of the assets, liabilities, employees and contractual relationships to be transferred pursuant to the Deferred Local

Share Transfer Agreements and the Deferred Local Transfer Agreements, so that the value of Siemens Wind Power Parent as of the Merger Effective Date represents the value as if the Siemens Wind Power Carve-Out had been completed in its entirety. This cash will be used to purchase the relevant assets not yet transferred under the Deferred Local Share Transfer Agreements and the Deferred Local Transfer Agreements when possible.

The Carve-Out Completion shall have occurred prior to the execution of the Public Deed of Merger (see Section 12 below).

4.2.4 Carve-Out Threshold Completion

Additionally and notwithstanding the Carve-Out Completion described in Section 4.2.3 above, Gamesa and Siemens have agreed that before the Carve-Out Final Long-Stop Date, the order backlog contracts legally or economically transferred to or held by Siemens Wind Power A/S Denmark and the Siemens Wind NewCos domiciled in Germany, the United States of America, the United Kingdom, and Canada, shall represent at least 85 % of the aggregated order backlog reported in accordance with the Siemens financial reporting guidelines as of 31 December 2015 related to order contracts signed by Siemens Wind Power A/S Denmark and the Siemens Wind Power Business carried out in Germany, the United States of America, the United Kingdom and Canada, excluding however, any order backlog of Siemens Wind Denmark and the Siemens Wind Power Business carried out in Germany, United States of America, United Kingdom and Canada represented by any contract which has, in the period between 1 January 2016 and the respective Local Carve-Out Date, been either fully fulfilled or terminated, declared void, wound-up by or otherwise ceased to exist, unless such contract was terminated by the third party as a legal consequence of the Siemens Wind Power Carve-Out (the "**Carve-Out Threshold Completion**").

The Carve-Out Threshold Completion shall have occurred prior to the execution of the Public Deed of Merger (see Section 12 below).

5. MERGER EXCHANGE RATIO

5.1 Exchange ratio

The exchange ratio for the shares of Gamesa and Siemens Wind Power Parent, which has been determined based on the real value of their corporate assets and liabilities -which, in the case of Siemens Wind Power Parent will be those held by the company upon occurrence of the Carve-Out Completion as described in Section 4.2 above- shall be one share of Gamesa, with a nominal value of EUR 0.17, for each share of Siemens Wind Power Parent, with a nominal value of EUR 0.17, without provision for any supplemental cash remuneration.

In application of the foregoing, the Siemens Wind Power Parent Shareholder will have the right to receive 401,874,595 shares in Gamesa, each with a nominal value of EUR 0.17, representing approximately 59 % of Gamesa's share capital after the Merger Effective Date, whilst the remaining shareholders of Gamesa will hold in aggregate approximately 41 % of such resulting share capital.

In accordance with Article 33 of the Spanish Structural Changes Act, the Board of Directors of Gamesa and the management body of Siemens Wind Power Parent will issue reports giving a detailed explanation and justification of the legal and economic terms of the Common Terms of Merger, making particular reference to the share exchange ratio (including the

methodologies used in determining such exchange ratio) and any special valuation difficulties. The reports will also refer to the implications of the Merger on shareholders, creditors and employees.

Morgan Stanley & Co. International plc, as financial advisor of Gamesa for the Merger, delivered on 16 June 2016 to the Board of Directors of such company its fairness opinion that, as of such date and based upon and subject to the factors, limitations and assumptions set forth in such opinion, the total consideration to be contributed by Siemens in exchange for the Gamesa shares to be received by Siemens in accordance with the Merger Agreement is fair from a financial point of view to Gamesa.

On the basis of, *inter alia*, the execution version of the fairness opinion from Morgan Stanley & Co. International plc, the Audit and Compliance Committee of Gamesa, in its meeting held on 13 June 2016, has issued its favourable report on the economic terms of the Merger and its accounting impact, pursuant to Article 12 j) of the *Regulations of the Audit and Compliance Committee* and further to the recommendation number 44 of the *Good Governance Code of Listed Companies*.

Goldman Sachs AG, as financial advisor for Siemens, has delivered to the Management Board and Supervisory Board of Siemens its opinion that, as of 17 June 2016 and based upon and subject to the factors, limitations and assumptions set forth in such opinion, the total consideration to be contributed by Siemens in exchange for the Gamesa shares to be received by Siemens in accordance with the Merger Agreement is fair from a financial point of view to Siemens.

The proposed exchange ratio shall be subject to the verification of the independent expert to be appointed by the Commercial Registry of Vizcaya in accordance with the provisions of Article 34 of the Spanish Structural Changes Act (as described further in Section 6 below).

5.2 Basis for the calculation of the exchange ratio

The exchange ratio has been calculated using generally accepted methodologies that will be further specified and explained in the reports to be issued by each of management bodies of Gamesa and Siemens Wind Power Parent pursuant to Article 33 of the Spanish Structural Changes Act.

The following assumptions, among others, have been taken into consideration in the determination of the exchange ratio:

(i) Siemens will implement the Siemens Wind Power Carve-Out in accordance with the terms described in Section 4.2 above so that, as a result thereof, Siemens Wind Power Parent will hold, directly or indirectly, the Siemens Wind Power Business;

(ii) the working capital of the Gamesa group as at 31 December 2016 will be equal to a positive amount of EUR 506,000,000 and the net debt of the Gamesa group as at such date will be equal to zero; and

(iii) the working capital of the Siemens Wind Power Business as at 31 December 2016 will be equal to a negative amount of EUR 127,000,000 and its net debt as at such date will be equal to zero.

If the amounts of the net debt and working capital of the Gamesa group and the Siemens Wind Power Business as at 31 December 2016 differ from those contained in limbs (ii) and (iii) above, such deviations shall be offset (where applicable) and the net deviation shall be corrected by Siemens on a date no later than the date of execution of the Public Deed of Merger by (a) extracting or injecting, as applicable, for no consideration, into the Siemens Wind Power Business and/or Siemens Wind Power Parent a cash amount and/or (b) increasing the net debt of the Siemens Wind Power Business and/or Siemens Wind Power Parent, so that the exchange ratio set forth in Section 5.1 is not affected by the same.

In addition, in the event of any leakage (as defined in the Merger Agreement) occurring between 31 December 2016 and the Merger Effective Date, Siemens (in case of leakage by Siemens Wind Power Parent or the Siemens Wind Power Business) or Gamesa (in case of leakage by any entity within the Gamesa group) shall on demand by the other party pay to such other party an amount in cash equal to such amount as is required to hold the relevant party harmless from any leakage.

5.3 Methods to cover the exchange

Gamesa shall cover the exchange of the Siemens Wind Power Parent shares in accordance with the exchange ratio provided in Section 5.1 above, with 401,874,595 newly-issued shares.

The Board of Directors of Gamesa will propose to the General Shareholders Meeting that will resolve on the Merger, as part of the Merger resolutions, the approval of a capital increase by a nominal amount of EUR 68,318,681.15 to cover the exchange pursuant to the exchange ratio provided in Section 5.1 above. The shares issued and placed in circulation pursuant to such capital increase will be represented by book entries, each with a nominal value of EUR 0.17, of the same and single class and series, with no preferred subscription right, in accordance with article 304.2 of the Capital Companies Act (*Ley de Sociedades de Capital*).

The difference between the net book value of the equity received by Gamesa due to the Merger and the nominal value of the new shares shall be allocated to share premium. Both the nominal value of the new shares and the respective share premium shall be fully paid up due to the transfer *en bloc* upon consummation of the Merger of the assets and liabilities of Siemens Wind Power Parent to Gamesa, which will acquire all of the rights and obligations of such company by universal succession.

Gamesa will request the listing of the new shares to cover the exchange on the Madrid, Barcelona, Valencia, and Bilbao Stock Exchanges through the Automated Quotation System (*Sistema de Interconexión Bursátil*) (Continuous Market).

The shares of Siemens Wind Power Parent will be automatically cancelled as a result of the registration with the Commercial Registry of Vizcaya of the Public Deed of Merger.

5.4 Exchange Procedure

The exchange of the shares of Siemens Wind Power Parent for the shares of Gamesa and therefore, the delivery to the Siemens Wind Power Parent Shareholder of the shares in Gamesa to which it is entitled will be carried out pursuant to the procedures established in the applicable regulations, and in particular, in Royal Decree 878/2015, of 2 October. Gamesa will bear any costs arising from said exchange. The abovementioned delivery shall be immediately after all of the following events have taken place:

(i) the Merger has been approved at the General Shareholders' Meeting of Gamesa and by the Siemens Wind Power Parent Shareholder;

(ii) the conditions precedent referred to in Section 11 have been satisfied (or waived, as the case may be);

(iii) the Public Deed of Merger and consequent increase of capital of Gamesa has been granted before a Notary Public; and

(iv) the Public Deed of Merger has been registered with the Commercial Register of Bilbao.

In order for the Siemens Wind Power Parent Shareholder to receive the shares in Gamesa in accordance with the exchange ratio described in Section 5.1, an agent participating in IBERCLEAR will be appointed by Gamesa.

The Siemens Wind Power Parent Shareholder shall evidence its ownership of the Siemens Wind Power Parent shares to the agent in the form that will be requested by the agent. Likewise, the Siemens Wind Power Parent Shareholder shall carry out any other actions required for the effectiveness of the exchange, including without limitation, the communication to the agent of the securities account opened at any of the IBERCLEAR participants which will be the depositary of the Gamesa shares received by it.

The delivery of Gamesa shares to the Siemens Wind Power Parent Shareholder will be made by recording them in the securities account designated by the Siemens Wind Power Parent Shareholder.

Gamesa will request the admission to trading of the new Gamesa shares to be issued to cover the exchange. Such request for admission will take place immediately after the date of payment of the Extraordinary Merger Dividend.

5.5 Dividends

As regards the distribution of any dividends by Gamesa or by Siemens Wind Power Parent between the date hereof and the Merger Effective Date, Gamesa and Siemens have agreed on the following:

(A) The Board of Directors of Gamesa will propose to the General Shareholders' Meeting that would decide on the Merger, as part of the Merger resolutions, the approval of an extraordinary cash dividend (the "**Extraordinary Merger Dividend**") on the following terms:

(i) the gross amount of the Extraordinary Merger Dividend shall be EUR 3.75 per share, will be payable to a maximum of 279,268,787 shares and, consequently, amount to a maximum of EUR 1,047,257,951.25 in aggregate;

(ii) however, the gross amount of the Extraordinary Merger Dividend shall be reduced by (a) the ordinary dividend effectively paid by Gamesa to its shareholders pursuant to the distribution approved by the General Shareholders' Meeting of Gamesa held on 22 June 2016, on second call, in a gross maximum amount of EUR 0.1524 per share and, consequently, amounting to a maximum of EUR 42,560,563.14 in aggregate and (b) any additional ordinary dividend effectively distributed by Gamesa to its

shareholders before the Merger Effective Date, as the case may be, on the terms set forth in Section (B) below (the dividends distributed by Gamesa pursuant to (a) and (b), jointly, the "**Ordinary Dividends**");

(iii) the approval of the distribution of the Extraordinary Merger Dividend will be resolved on, as the case may be, by Gamesa's shareholders at the same General Shareholders' Meeting that will resolve on the Merger;

(iv) payment of the Extraordinary Merger Dividend will be conditional on the registration of the Public Deed of Merger with the Commercial Registry of Vizcaya;

(v) payment of the Extraordinary Merger Dividend will take place within 12 business days following the Merger Effective Date and will be made to those individuals or entities who (i) are registered as shareholders of Gamesa with the relevant IBERCLEAR member entities (*entidades participantes*) as of close of the fifth trading session of the Spanish Stock Exchanges following the Merger Effective Date (the *last trading date*) and (ii) hold shares already existing as of the day before the Merger Effective Date. Therefore Siemens Wind Power Parent Shareholder will not be entitled to receive the Extraordinary Merger Dividend;

(vi) payment of the Extraordinary Merger Dividend by Gamesa will be made against its share premium and other distributable reserves, including those generated as a consequence of the Merger; and

(vii) no later than on the date of execution of the Public Deed of Merger, Siemens shall have made a cash contribution into Siemens Wind Power Parent's equity in an amount equal to the Extraordinary Merger Dividend, for the avoidance of doubt, including (i.e. not deducting from such amount), as the case may be, the amount of any Ordinary Dividends.

(B) In addition to the Ordinary Dividend approved by the General Shareholders' Meeting of Gamesa held on 22 June 2016, on second call, it might be the case that it is proposed to the ordinary General Shareholders' Meeting of Gamesa which shall resolve on the approval of the annual accounts of Gamesa corresponding to the financial year ending on 31 December 2016 a distribution, before the Merger Effective Date, of another Ordinary Dividend to its shareholders, whether against profit achieved during the financial year 2016 or reserves. As set forth in Section 5.5(A)(i) above, should such Ordinary Dividend be approved, the amount of the Extraordinary Merger Dividend shall be reduced accordingly by the gross amount of the Ordinary Dividend effectively paid by Gamesa to its shareholders.

For the avoidance of doubt, the aggregate gross amount paid as Extraordinary Merger Dividend and as Ordinary Dividends (whether for the amount referred to in Section 5.5(B) above or any other amount as approved by the shareholders) will amount to a maximum of EUR 3.75 per share (and, consequently, a maximum aggregate amount of EUR 1,047,257,951.25).

Other than the Extraordinary Merger Dividend and any Ordinary Dividend referred to in Section 5.5(B) above (whether for the amount referred to therein or any other amount, as approved by the shareholders), neither Gamesa nor Siemens Wind Power Parent will make or declare, any distribution of dividends, reserves, premium or any equivalent form of equity distribution, whether ordinary or extraordinary, to their shareholders, between the date hereof and the Merger Effective Date.

6. APPOINTMENT OF INDEPENDENT EXPERT

Pursuant to the provisions of Article 34.1 of the Spanish Structural Changes Act, the Board of Directors of Gamesa and the management body of Siemens Wind Power Parent will jointly request from the Commercial Registry of Vizcaya (where the absorbing company is registered) the appointment of an independent expert to prepare a single report in relation to these Common Terms of Merger and regarding the assets and liabilities contributed by Siemens Wind Power Parent to Gamesa as a result of the Merger.

7. OTHER REFERENCES PROVIDED FOR BY THE SPANISH LAW

7.1 Merger balance sheets, annual accounts and valuation of assets and liabilities of the acquired company for accounting purposes

7.1.1 Merger balance sheets

For the purposes of Article 36 of the Spanish Structural Changes Act, the merger balance sheet of Gamesa will be that closed on 31 December 2015, which forms part of Gamesa' annual accounts for the year end 31 December 2015 approved at the General Shareholders' Meeting of Gamesa held on 22 June 2016, on second call. Such balance sheet has been audited by the statutory auditor of Gamesa, and will be also submitted for the approval of the shareholders at the General Shareholders' Meeting that will resolve on the Merger, as part of the Merger resolutions.

Siemens Wind Power Parent's merger balance sheet will be that closed on 31 December 2015, which forms part of Siemens Wind Power Parent's annual accounts for the year ended on 31 December 2015. Said merger balance sheet, which has been drawn-up by the sole director of Siemens Wind Power Parent on 31 March 2016 and are expected to be approved, as the case may be, by the Siemens Wind Power Parent Shareholder on 28 June 2016, will be submitted for approval of the Siemens Wind Power Parent Shareholder, as part of the Merger resolutions.

Given that the Siemens Wind Power Carve-Out will take place after the date of the merger balance sheet but before the Merger Effective Date, a balance sheet of the Siemens Wind Power Business as at 31 December 2015 will also be prepared ("**Siemens Wind Power Balance Sheet**"). This balance sheet, which will be subject to a review, will be prepared for information purposes only and shall not be considered as the merger balance sheet in respect of Siemens Wind Power Parent.

Without prejudice to the above, pursuant to Article 39.3 of the Spanish Structural Changes Act, the management body of Siemens Wind Power Parent, as well as the Board of Directors of Gamesa, will inform the Siemens Wind Power Parent Shareholder and the General Shareholders' Meeting of Gamesa resolving on the Merger of any material changes in the assets and liabilities of Gamesa and/or Siemens Wind Power Parent that may occur from the

date of these Common Terms of Merger until the date when the General Shareholders' Meeting of Gamesa and the Siemens Wind Power Parent Shareholder resolve on the Merger.

7.1.2 Annual accounts

For the purposes of Article 31.10ª of the Spanish Structural Changes Act, it is hereby stated that the terms and conditions on which the Merger is to take place have been determined considering the Merging Companies' accounts as at 31 December 2015. In the case of Siemens Wind Power Parent, the Siemens Wind Power Balance Sheet referred to in Section 7.1.1 has also been considered.

The Merging Companies' annual accounts as at 31 December 2015, the merger balance sheets and the Siemens Wind Power Balance Sheet, as well as the other documents mentioned in Article 39 of the Spanish Structural Changes Act, will be made available to Gamesa's shareholders and to the Siemens Wind Power Parent Shareholder and, where applicable, bondholders, holders of special rights and employees' representatives, (a) on the corporate website of Gamesa for their downloading and print-out and (b) at Siemens Wind Power Parent's registered office, in both cases sufficiently in advance to comply with the minimum time period set forth in Article 39.1 of the Spanish Structural Changes Act.

7.1.3 Valuation of assets and liabilities of the acquired company for accounting purposes

As a result of the Merger, Siemens Wind Power Parent shall be dissolved without liquidation, and its assets and liabilities shall be transferred *en bloc*, by way of universal succession, to Gamesa.

For the purposes of the provisions of Article 31.9ª of the Spanish Structural Changes Act, the assets and liabilities transferred by the acquired company shall be accounted for in the acquiring company at the net book value at which they were accounted for in the books of the former as of the date of the Merger for accounting purposes, as set forth in Section 7.3.

7.2 Date from which the shareholder(s) of Siemens Wind Power Parent will have the right to participate in the profits of Gamesa

As from the Merger Effective Date, the shares issued by Gamesa to the Siemens Wind Power Parent Shareholder in order to cover the exchange pursuant to Section 5.4 above, shall give their holders the right to participate in the profits of Gamesa upon the same terms as the other shares of Gamesa outstanding on such date, except that the Siemens Wind Power Parent Shareholder will not be entitled to receive the Extraordinary Merger Dividend, which shall be resolved by the General Shareholders' Meeting of Gamesa that shall decide on the Merger and which will be distributed after the Merger Effective Date on the terms set forth in Section 5.5(A) above.

7.3 Date of accounting effects of the Merger

The date from which the transactions of the acquired company shall be deemed for accounting purposes to have taken place on behalf of the acquiring company will be that which is determined for in accordance with the General Chart of Accounts (*Plan General de Contabilidad*) approved by Royal Decree 1514/2007 of 16 November, and in particular, its rule 19.

7.4 Industry contributions, ancillary obligations, special rights or securities other than those representing capital

For the purposes of Articles 31.3 and 31.4 of the Spanish Structural Changes Act, it is hereby stated that neither Gamesa nor Siemens Wind Power Parent have industry contributions, ancillary benefits, privileged special shares, compensations for shareholders or persons who have special rights other than the mere ownership of the shares. Consequently no special right or any type of option shall be awarded or offered.

The Gamesa shares to be issued to the Siemens Wind Power Parent Shareholder pursuant to the Merger will not award any special rights.

7.5 Benefits extended to independent experts and to the directors

With respect to Article 31.5ª of the Spanish Structural Changes Act, it is stated that no benefits of any type will be extended to the independent expert or to the directors of either of the companies taking part in the Merger, including those whose appointment will be submitted for approval by the General Shareholders' Meeting of Gamesa which will resolve on the Merger.

7.6 Implications of the Merger on employment, gender in the governing bodies and corporate social responsibility

7.6.1 Potential impact of the Merger on employment

The Merger is not expected to have any direct impact on the employees of Gamesa. In the case of Siemens Wind Power Parent, upon occurrence of the Carve-Out Completion as described in Section 4.2 above, it will be a holding company only and it is not expected to employ any individual.

In any case, it is stated for the record that the Merging Companies will comply with their obligations in accordance with the provisions of labor regulations, if applicable. Notice of the Merger will also be given to public entities where appropriate, and in particular to the General Social Security Revenue Office (*Tesorería General de la Seguridad Social*).

7.6.2 Possible impact on gender within management bodies

In the decision process regarding the composition of Gamesa's Board of Directors after the Transaction, the recommendations on gender diversity included in the *Good Governance Code of Listed Companies* have been considered.

7.6.3 Impact of the Merger on corporate social responsibility

It is expected that the Merger will not lead to a deterioration of Gamesa's social responsibility policy, contained in its *Global policy of corporate social responsibility*, *Policy of diversity and inclusion*, *Hiring policy and relationship with suppliers, contractors and collaborators*, and the *Climate change policy.*

8. CORPORATE GOVERNANCE OF GAMESA AFTER THE CONSUMMATION OF THE TRANSACTION

8.1 Organizational structure

The corporate seat of Gamesa and the headquarters for new equipment onshore will be located in Spain while the functional headquarters for new equipment offshore will be located in Vejle (Denmark) and in Hamburg (Germany). The location of the functional headquarters for the service business will be determined by Siemens.

8.2 Board of Directors

Upon the Merger Effective Date the Board of Directors of Gamesa will initially be composed of 13 members, according to the following:

(i) four independent directors: two of which will be current members of the Board (Ms Gloria Hernández and Mr Andoni Cendoya) and two who will be proposed by the Gamesa's Nominations Committee (*Comisión de Nombramientos*) from a list to be provided by Siemens (for the avoidance of doubt, the latter shall also meet the requirements set forth in Section 4 of Article 529 *duodecies* of the Spanish Companies Act (*Ley de Sociedades de Capital*) and shall not be under any of the circumstances described in the list provided for in such Section 4);

(ii) five proprietary directors nominated by Siemens;

(iii) two proprietary directors nominated by Iberdrola Participaciones, S.A. (Sociedad Unipersonal) (Ms Sonsoles Rubio and Mr Francisco Javier Villalba);

(iv) the Chief Executive Officer (*Consejero Delegado*). If the current Chief Executive Officer has ceased to be in office, his successor in place at the Merger Effective Date will be a director who will be appointed by Gamesa's Board of Directors subject to the prior approval of Siemens, and following the report of the Nominations and Remunerations Committee (*Comisión de Nombramientos y Retribuciones*); and

(v) Mr Carlos Rodríguez-Quiroga, who will remain as the Secretary to the Board of Directors and be classified as executive director.

The Board of Directors of Gamesa will propose to the General Shareholders' Meeting of Gamesa which resolves on the Merger, as part of the Merger resolutions, the appointments, resignations and/or removals of directors required to implement the above-mentioned composition of the Board of Directors of Gamesa. Therefore, the effectiveness of any such resolutions, as the case may be, shall be conditional on the effectiveness of the Merger, as well as to the Conditions Precedent (see Section 11 below).

8.3 Amendments to the bylaws of Gamesa and other corporate governance aspects of Gamesa

The Merger will not entail any change to the current bylaws of Gamesa, other than (i) the change of Gamesa's share capital figure (Article 7) as a consequence of the capital increase to cover the exchange in accordance with Section 5.3 above; and (ii) other mechanical and not substantive changes. For purposes of Article 31.8ª of the Spanish Structural Changes Act, the bylaws of Gamesa as they will read upon effectiveness of the Merger in accordance with these Common Terms of Merger are attached hereto as **Annex 2**.

However, as part of the wider negotiations regarding the branding of the Combined Business referred to in Section 10(iv) below, the corporate name of Gamesa may be amended effective upon the Merger Effective Date, although as of the date of these Common Terms of Merger no specific agreement has been reached as regards the new corporate name, as the case may be.

Consequently, the Board of Directors of Gamesa will propose to the General Shareholders' Meeting resolving on the Merger, as part of the Merger resolutions, (i) the relevant increase in Gamesa's share capital figure, (ii) the other mechanical and not substantive changes reflected in **Annex 2** and (iii) as the case may be, the change of Gamesa's corporate name on the terms to be agreed by Siemens and Gamesa prior to the date on which said the General Shareholders' Meeting is convened.

The bylaws and, if proposed to be amended, the General Shareholders' Meeting Regulations of Gamesa as they will read as from the Merger Effective Date will be made available to Gamesa's shareholders on the corporate website of Gamesa for their downloading and print-out prior to the publication of the notice of meeting of the General Shareholders' Meetings to decide on the Merger.

9. TAX REGIME

The Merger will be subject to the application of the Vizcaya tax regime provided in Chapter VII, Title VI of Act 11/2013, of 5 December, on Corporate Income Tax Act (or, as the case may be, the equivalent regime provided in the Spanish common Corporate Income Tax Law or other applicable Spanish legislation).

For Spanish tax purposes, Gamesa and Siemens Wind Power Parent will decide whether it is feasible or not to waive (totally or partially) the application of the tax neutral regime.

Provided that it is decided to carry out the Merger under the tax neutral regime described above, the Merger and the application of the tax neutral regime will be communicated to the tax authorities in accordance with the applicable regulations.

10. RELATIONSHIP WITH SIEMENS

As part of the agreements reached in the Merger Agreement, Siemens has agreed to support Gamesa following the completion of the Merger in the following means:

(i) Gamesa and Siemens entered into a strategic alliance agreement, dated 17 June 2016 and with effects as from the Merger Effective Date, aimed at (a) establishing Siemens as a strategic supplier of Gamesa with regard to the supply of certain products and services related to the Siemens Wind Power Business, (b) establishing a preferred financial relationship between Siemens Financial Services and Gamesa, (c) establishing a business relationship between Gamesa and Siemens divisions aiming at market and customer development by way of conclusion of a specific agreement for these purposes, (d) developing certain research and development and cross-sector topics, (e) establishing a business relationship between Gamesa and the Siemens regional companies with the aim to support Gamesa's business interests via the Siemens regional companies, and (f) cooperating in the field of development of offshore wind power park grid connection solutions;

(ii) on 17 June 2016 Gamesa and Siemens have also agreed on the head of terms of a strategic supply agreement pursuant to which Siemens would be a strategic supplier of Gamesa for gearboxes, segments and other products and services offered by the Siemens group (the "**Strategic Supply Agreement**"). Gamesa and Siemens will negotiate in good faith to agree on the Strategic Supply Agreement in a form consistent with said head of terms no later than 31 October 2016. If by such date the Strategic Supply Agreement is not executed, the above-mentioned heads of terms shall apply to and, be binding on, the Gamesa and Siemens until the Strategic Supply Agreement is signed;

(iii) as from the Merger Effective Date, Siemens has undertaken to provide certain guarantees to the Combined Business; and

(iv) Gamesa and Siemens have agreed that the Combined Business shall benefit from the strong brands attributable to each of Gamesa and Siemens. Prior to the Merger Effective Date, Gamesa and Siemens will negotiate in good faith (i) the details of the Combined Business' use of commercial designations (including, as the case may be, the company name, as mentioned in Section 8.3 above) and trademarks (including the corporate mark and product marks and names) and (ii) a trademark license agreement for the use of any Siemens designation.

11. CONDITIONS AND TERMINATION

The completion and effectiveness of the Merger will be conditional on the satisfaction of the following conditions ("**Conditions Precedent**"):

(i) any compulsory prior clearance from the competent merger control authorities of Brazil, China, European Union, India, Israel, Mexico, Ukraine and United States of America having been obtained either explicitly or tacitly;

(ii) the granting by the CNMV, pursuant to article 8.g) of Royal Decree 1066/2007, of 27 July, on takeovers, of an exemption to Siemens with respect to its obligation to launch a mandatory takeover bid for all the outstanding shares in Gamesa following completion of the Merger; and

(iii) approval of the Merger and of the Extraordinary Merger Dividend at the same General Shareholders' Meeting of Gamesa.

Notwithstanding the foregoing, Siemens Wind Power Parent may at any time waive, in whole or in part and conditionally or unconditionally, the Condition Precedent set forth in limb (ii) above by notice in writing to Gamesa. Gamesa and Siemens may at any time reach an agreement and jointly waive, in whole or in part and conditionally or unconditionally, of the other Conditions Precedent.

The Board of Directors of Gamesa will propose to the General Shareholders' Meeting which will resolve on the Merger, as part of the Merger resolutions, to delegate to the Board of Directors of Gamesa, which in turn shall be allowed to delegate to Gamesa's Executive Committee, the power to waive, partially or in whole, conditionally or unconditionally, the satisfaction of any Conditions Precedent at any time prior to the execution of the Public Deed of Merger.

Notwithstanding the foregoing, the Board of Directors of Gamesa shall not be obliged to call its General Shareholders' Meeting to resolve on the Merger until the Carve-Out Signing has taken place. In addition, the Parties will not grant the Public Deed of Merger until the Carve-Out Completion and the Carve-Out Threshold Completion shall have taken place, as further explained in Section 4.2 above.

If any of the Conditions Precedent is not satisfied (or waived) by 17:00h CET on 31 October 2017 (the "**Conditions Long-Stop Date**"), either Siemens and Gamesa may, in its sole discretion, terminate the Merger Agreement; provided however, that if the non-satisfaction of the relevant Condition Precedent is due to the breach of either party of its obligations under the Merger Agreement, the breaching party shall not be entitled to terminate it.

If the Merger Agreement is terminated in accordance with its terms before the Merger Effective Date, the Merger process will terminate automatically.

12. OBLIGATIONS OF THE PARTIES PRIOR TO THE EXECUTION OF THE PUBLIC DEED OF MERGER

Each and all of the following specific obligations shall have been fulfilled prior to the execution of the Deed of Merger:

(i) The Carve-Out Completion and the Carve-Out Threshold Completion shall have taken place.

(ii) Siemens shall have contributed to Siemens Wind Power Parent a cash amount equivalent to the Extraordinary Merger Dividend (for the avoidance of doubt, including, and not deducting, the amount of any Ordinary Dividends), including, any cash shortfalls of the amount that is expected to be paid as Extraordinary Merger Dividend.

(iii) The adjustments mentioned in Section 5.2 due to any variations of the net debt and working capital of the Gamesa group and the Siemens Wind Power Business shall have been implemented.

13. PUBLICITY AND REPORTING OBLIGATIONS

In compliance with the provisions of Article 32 of the Spanish Structural Changes Act, these Common Terms of Merger shall be included in the website of Gamesa. The inclusion of the Common Terms of Merger in the website shall also be published in the Official Gazette of the Mercantile Register, with an indication of the website of Gamesa (www.gamesacorp.com), as well as the date of inclusion thereof.

The management body of Siemens Wind Power Parent shall deposit with the Commercial Register of Barcelona the Common Terms of Merger. The fact of the deposit as well as the date thereof shall be published in the Official Gazette of the Mercantile Register.

The inclusion in the website of Gamesa of the Common Terms of Merger and its deposit with the Commercial Register of Barcelona by Siemens Wind Power Parent and the publication of these facts in the Official Gazette of the Mercantile Register shall occur at least one month in advance of the date established for the holding of the General Shareholders' Meeting of Gamesa to approve the Merger. The inclusion in the website of Gamesa shall continue, at a

minimum, for the time required by Article 32 of the Spanish Structural Changes Act (i.e., until the term for the creditors to oppose the Merger has elapsed).

In turn, it is stated for the record that, pursuant to the provisions of Article 33 of the Spanish Structural Changes Act, the Board of Directors of Gamesa and the management body of Siemens Wind Power Parent shall each prepare a report explaining and providing a detailed rationale regarding the legal and financial aspects of the Common Terms of Merger, with special reference to the share exchange ratio, to any particular valuation difficulties that may exist and to the impact of the Merger on shareholders of the merging companies, and the creditors and employees thereof.

These reports, together with the other documents referred to in Article 39 of the Spanish Structural Changes Act, shall be included in the website of Gamesa and made available at the registered office of Siemens Wind Power Parent sufficiently in advance to comply with the minimum time period set forth in Article 39.1 of the Spanish Structural Changes Act.

Finally, pursuant to the provisions of Article 30.3 of the Spanish Structural Changes Act, these Common Terms of Merger shall be subject to the approval of the General Shareholders' Meeting of Gamesa and the Siemens Wind Power Parent Shareholder within six months as from the date hereof.

* * *

Pursuant to the provisions of Article 30 of the Spanish Structural Changes Act, the directors of Gamesa and Siemens Wind Power Parent, whose names appear below, sign and approve two specimens, identical in text and form, of these Common Terms of Merger, which have been approved by the Board of Directors of Gamesa and the sole director of Siemens Wind Power Parent as of the date hereof.

BOARD OF DIRECTORS OF GAMESA

In Madrid

Ignacio Martín San Vicente	Juan Luis Arregui Ciarsolo
José María Vázquez Egusquiza	Sonsoles Rubio Reinoso
Luis Lada Díaz	Gema Góngora Bachiller
José María Aldecoa Sagastasoloa	José María Aracama Yoldi
Francisco Javier Villalba Sánchez	Gloria Hernández García
Andoni Cendoya Aranzamendi	Carlos Rodríguez-Quiroga Menéndez

Pursuant to section 30 of the Structural Modifications Act, it is expressly stated for the record that the member of the Board Mr Ignacio Martín San Vicente was present at the meeting of the Board of Directors by electronic means in accordance with article 25.4 of the Regulations of the Board of Directors and, although he voted in favour of the approval of the Common Terms of Merger, his firm could not be gathered as he was not physically present at the meeting.

On the other hand, the member Mr Juan Luis Arregui Ciarsolo was not present at the meeting of the Board of Directors at which these Draft Terms of Merger were approved, and was represented by other member of the Board, who, on his behalf and in accordance with the instructions thereof, voted in favour of the approval of these Draft Terms of Merger.

For this reason, the signatures thereof are missing from this document.

SOLE DIRECTOR OF SIEMENS WIND POWER PARENT

In Madrid

Franz Josef Kiener

ANNEX 1

Siemens Wind Power Business

The "**Siemens Wind Power Business**" means the business of design, development, manufacturing and commissioning of offshore and onshore wind turbine generators and wind parks, including the related maintenance and service, which is operated, as at 31 December 2015, by Siemens' division "*Wind Power and Renewables*" and Siemens' business unit "*Power Generation Services Wind Power and Renewables*.

The composition of the Siemens Wind Power Business is detailed in the Merger Agreement. This Annex 1 includes a summary of the composition of the Siemens Wind Power Business for informational purposes only.

Without prejudice of the foregoing, the Siemens Wind Power Business is composed, amongst others, by:

A. The following assets (the "**Business Assets**"):

(i) IP rights used by, or in the case of patents, utility models, design patents and their respective applications exclusively applicable in, the Siemens Wind Power Business;

(ii) real estate (a) in ownership which exclusively relates to and is used by the Siemens Wind Power Business or (b) leased and exclusively or partially relating to and used by the Siemens Wind Power Business;

(iii) other tangible assets (such as loose plant, cash, machinery, equipment, tooling, furniture, vehicles, raw materials and supplies, works in progress, finished goods, and merchandise including any related rights, title and interest, irrespective as to whether in location, in transit or on consignment) exclusively or partially relating to and used by the Siemens Wind Power Business;

(iv) the shareholding interest in (a) Siemens Wind Power A/S (Denmark) held by Siemens Beteiligungen Inland GmbH (the latter holding one hundred percent (100%) of the shares), (b) Siemens Wind Power Blades (Shanghai) Co., Ltd. held by Siemens Ltd. China (Peking) (the latter holding one hundred percent (100%) of the shares), (c) Siemens Wind Power Blades SARL AU held by Siemens (the latter holding 100% of the shares), (d) Innovatorium Herning A/S (Denmark) held by Siemens Wind Power A/S (the latter holding seven point six nine per cent (7.69%) of the shares) and (e) Uhre Vindmollelaug I/S (Denmark) held by Siemens Wind Power A/S (the latter holding nineteen point zero seven percent (19.07%) of the shares);

(v) contractual relationships exclusively or partially relating to the Siemens Wind Power Business;

(vi) business receivables and claims to the extent (i.e., in the portion) relating to the Siemens Wind Power Business;

(vii) foreign exchange (the "**FX**"), option and/or interest rate derivative (the "**IRD**"), commodities, arrangements or transactions with banks or financial institutions; and the FX, IRD and commodities arrangements or transactions based on contracts with Siemens or any member of the Siemens group, to the extent (i.e., in the portion) relating to the Siemens Wind Power Business;

(viii) to the extent exclusively pertaining to the Siemens Wind Power Business, all permits, authorisations, entitlements, licences, approvals, registrations, orders and consents, and any replacement, substitute or renewal, issued by an authority pursuant to applicable law, and necessary for the operation of the Siemens Wind Power Business;

(ix) books of account, records, invoices, shipping records, supplier lists, customer lists, purchase and sold ledgers, purchase and sales day books, purchase and sales invoices, correspondence and other documents, records and files relating exclusively to the Siemens Wind Power Business;

(x) to the extent transferrable, the grants and subsidies relating exclusively to the Siemens Wind Power Business, including, for the avoidance of doubt, any right to receive any royalties or other payments under or in respect of such grants and subsidies;

B. the risks, commitments and obligations (the "**Liabilities**") arising from or relating to the Siemens Wind Power Business;

C. the employees (including any employees who are temporarily absent whether by reason of sickness, maternity leave, secondment, delegation or otherwise) and officers employed (i) by Siemens Wind Power A/S (Denmark) and Siemens Wind Power Blades (Shanghai) Co., Ltd.; and (ii) in or pertaining to the Siemens Wind Power Business; and

D. any and all liabilities to provide retirement benefits under any existing retirement benefit arrangement as of 31 December 2015 or under any retirement benefit arrangement, which is transferred pursuant to the Siemens Wind Power Carve-Out.

Notwithstanding the above, certain activities, assets and liabilities which are captured by the above-mentioned definition of Siemens Wind Power Business, will not be included therein (respectively, the "**Excluded Activities**", the "**Excluded Assets**" and the "**Excluded Liabilities**" defined below).

"**Excluded Activities**" means (i) those activities of the Siemens' division "*Wind Power and Renewables*" relating to the field of large and small hydro power plants, including the ownership of shares in Voith Hydro Holding GmbH & Co KG (Heidenheim, Germany), Voith Hydro Holding Verwaltungs GmbH (Heidenheim, Germany) and Atlantis Resources Limited (UK) (ii) the business carried out by any of the following legal entities in their respective jurisdictions: Siemens Servicios S.A. de CV (Mexico), Siemens EOOD (Bulgaria) and Siemens S.A. (Portugal) and (iii) for the avoidance of doubt, the business of holding (minority) equity interests in, and financing of, special purpose vehicles incorporated for the purposes of developing, constructing and commissioning of wind farms as, amongst other activities, carried on by Siemens Financial Services GmbH and its direct and indirect subsidiaries.

"**Excluded Assets**" means all the property, title, undertaking, rights and assets of the Current Owners in:

(i) the stake, and all rights resulting therefrom, including but not limited to the right to dividends, currently held by Gwynt Y Mor Renewables One Ltd in Gwynt Y Mor Offshore Wind Farm, Ltd;

(ii) the shares in A2Sea A/S Frederica (Denmark) held by SIEMENS Wind Power A/S (Denmark);

(iii) contractual relationships (a) dealing predominantly or exclusively with an IP license which does not exclusively relate to the Siemens Wind Power Business, (b) entered into by Siemens Wind Power A/S (Denmark) or Siemens Ltd., China identified pursuant to the Siemens Wind Power Carve-Out and/or (c) regarding overdraft facilities, deposits or loans with banks or financial institutions, accounts with banks or financial institutions (except for those held by SIEMENS Wind Power A/S (Denmark) and Siemens Wind Power Blades (Shanghai) Co., Ltd), (d) regarding external cash pooling arrangements, (e) regarding intragroup financing of the Siemens group which do not relate to the Siemens Wind Power Business, (f) under a receivables master purchase agreement between the respective Current Owner and Siemens or any member of the Siemens group regarding the purchase and assignment on a revolving basis of such Current Owner's receivables against its debtors resulting from the supply of goods and services, and (g) relating to the Siemens Wind Power Business under which any unit or member of the Siemens group provides goods and/or services to the Siemens Wind Power Business (except for certain exceptions identified pursuant to the Siemens Wind Power Carve-Out and securities not relating to the Siemens Wind Power Business).

(iv) all IP used in or relating to the Excluded Activities;

(v) all cash and cash equivalents save for cash and cash equivalents of the Existing Siemens Wind Companies and cash equivalents of the Siemens Wind NewCos and Siemens Wind Power Parent;

(vi) the assets – save for any tangible assets partially relating to the Siemens Wind Power Business - exclusively, predominantly or partly used in any of the Excluded Activities;

(vii) without prejudice to the Deferred Local Transfer Agreements, those permits, authorisations, entitlements, licences, approvals, registrations, orders and consents, and any replacement, substitute or renewal, issued by an authority pursuant to applicable law, and necessary for the operation of the Siemens Wind Power Business which cannot be transferred pursuant to their respective terms and conditions or applicable laws;

(viii) any licenses granted by public authorities for (a) the export, transfer, transit or re-export of goods, technology and software, (b) the performance of technical assistance or provision of other services (e.g. brokering), or (c) any other action or omission in connection with a cross-border business relationship or any other business relationship that by law requires a license for export control reasons save for any such licenses of the Existing Siemens Wind Companies;

(ix) pursuant to the terms of the Siemens Wind Power Carve-Out, authorizations granted by customs authorities for the use of specific facilitations for imports and exports, temporary imports, customs proceedings with commercial relevance, utilization of preferences and payment of customs duties save for any such authorizations of the Existing Siemens Wind Companies;

(x) pursuant to the Siemens Wind Power Carve-Out, any right in any designation, any trademark (including product mark), commercial designation (such as the company or corporate mark), domain or name affix incorporating, or relating to any designation(s) "SIEMENS", "Si", any similar reference to the designation "SIEMENS" (including, but not limited to "SWT" or "SWP"), any abbreviations thereof and/or any word or logo which in the reasonable opinion of Siemens is confusingly similar thereto;

(xi) except for the Existing Siemens Wind Companies, all tax related prepayments and claims for the refund of any federal, state or local tax, including income, capital gains, value-add, sales or property tax, stamp duty, wage tax, customs and social security payments having accrued for any tax period, or portion of a tax period, prior to the respective Local Carve-Out Date;

(xii) the organizational documents, company seals, minute books, tax records (other than tax records required by applicable law to be kept within the Siemens Wind Power Business), charter documents, stock or equity books and such other books and records pertaining to the organization, existence or capitalization of Siemens any member of the Siemens group, and any other records or materials relating to Siemens or any member of the Siemens group and not exclusively relating to (i) the Business Assets; (ii) the Liabilities; or (iii) the operation of the Siemens Wind Power Business;

(xiii) If and to the extent SIEMENS, or any member of the Siemens group (other than a SIEMENS Wind Company), on the one hand, and any SIEMENS Wind Company, on the other hand, will enter into transitional services contracts on or following the respective Local Carve-Out Date (the "**Interim Contract**"), which would constitute, if it was concluded prior to the Local Carve-Out Date, an excluded contract pursuant to (iii) above, the respective receivables, claims, obligations and amounts arising under such Interim Contracts in the period following the respective Local Carve-Out Date and/or rights provided or licensed under such Interim Contracts shall, to the extent as existing on the Merger Effective Date, not be considered as Excluded Assets or Excluded Liabilities, but as Business Assets and Liabilities.

(xiv) Assets or funds relating to any retirement benefit arrangement, unless those assets are transferred or established pursuant to with the terms of the Siemens Wind Power Carve-Out.

"**Excluded Liabilities**" means any of the following liabilities of the Current Owners:

(i) any Liabilities to the extent relating to any Excluded Assets or any Excluded Activities, except as provided for otherwise in Section (xiii) of the definition of Excluded Assets above;

(ii) any Liabilities for the payment of tax having accrued for any tax period or portion of a tax period prior to the respective Local Carve-Out Date, it being understood that this

shall not apply with regard to liabilities existing with regard to the Existing Wind Companies; and

(iii) Liabilities relating to any retirement benefit arrangements, unless those Liabilities are transferred pursuant to the terms of the Siemens Wind Power Carve-Out.

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ANNEX 2

Bylaws of Gamesa upon effectiveness of the Merger

By-Laws of the Company Gamesa Corporación Tecnológica, S.A.

(Proposed revised text to be approved by the Shareholders' General Meeting that would resolve on the merger by absorption of Siemens Wind HoldCo, S.L. Sociedad Unipersonal by Gamesa Corporación Tecnológica, S.A. with effects as from completion of the merger)

BY-LAWS OF THE COMPANY GAMESA CORPORACIÓN TECNOLÓGICA, S.A.

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BY-LAWS OF THE COMPANY GAMESA CORPORACIÓN TECNOLÓGICA, S.A.

TITLE I. THE COMPANY AND ITS CAPITAL

CHAPTER I. GENERAL PROVISIONS

Article 1. Name and corporate address

1. The Company shall be called "Gamesa Corporación Tecnológica, S.A." ("**Gamesa**" or the "**Company**").

2. The corporate address of the Company is in Zamudio (Biscay), Parque Tecnológico de Biscay, Building 222.

Article 2. Applicable regulations and corporate governance

1. The Company is subject to the legal provisions regarding publicly listed companies and other applicable regulations, by these By-laws (the"**By-laws**") and by the other standards comprising its Corporate Governance.

2. The Corporate Governance Standards make up the internal regulation of the Company, in accordance with current legislation, in the exercise of the corporate autonomy that it protects, and they consist of these By-laws, the Shareholders' General Meeting Regulations, the Regulations of the Board of Directors, the Regulations of the Audit, Compliance and Related Party Transactions Committee, the Regulations of the Appointments and Remuneration Committee, the Internal Code of Conduct for the Securities Markets, the Code of Conduct, and the policies and other internal standards approved by the Board of Directors in exercise of its competencies (the "**Corporate Governance Standards**").

3. Unless the law or the Corporate Governance Standards provide otherwise, and without prejudice to the competencies of the Shareholders' General Meeting, the Board of Directors is responsible for developing, elaborating, reviewing, modifying, updating, interpreting and integrating the Corporate Governance Standards to ensure the fulfillment of its purposes.

Article 3. Corporate interest

Gamesa pursues the attainment of the corporate interest, understood as the common interest of its shareholders in the creation of the value of the Company, which is carried out through the sustainable, efficient and competitive execution of its corporate purpose, taking into account other legitimate interests of a public or private nature which converge in its business activity.

Article 4. Corporate purpose

1. The Company aims to promote and foment companies, and to do so it may carry out the following operations:

a. The subscription and purchase of shares or stocks, or of securities that can be converted into these, or which grant preferential purchase rights, of companies whose securities are listed or not in national or foreign stock exchanges;

b. The subscription and purchase of fixed-income securities or any other securities issued by the companies in which they hold a stake, as well as the granting of participatory loans or guarantees; and

c. To directly provide advisory services and technical assistance to the companies in which they hold a stake, as well as other similar services related to the management, financial structure, or production or marketing processes of those companies.

2. The activities envisaged in section 1 will focus on the promotion, design, development, manufacture and supply of products, installations and technologically advanced services in the renewable energy sector.

3. All the activities comprising the aforementioned corporate purpose can be undertaken both in Spain and abroad, and can be carried out completely or partially, in an indirect manner, through the ownership of shares or stocks in companies with the same or similar purpose.

4. The Company will not undertake any activity for which the laws require specific conditions or limitations, so long these conditions or limitations are not exactly fulfilled.

Article 5. The Gamesa Group

1. The Company is established up as a listed holding company and is the parent company of a multinational group of companies, in the meaning established by the law (the "**Gamesa Group**" or the "**Group**").

2. The governance and corporate structure of the Gamesa Group is defined on the following bases:

a) Gamesa has the appropriate competencies conferred to it regarding the elaboration of the Corporate Governance Standards and the establishment, supervision and implementation of the policies and strategies of the Group, of the basic guidelines for its management and decisions on matters of Group-wide strategic relevance; and

b) the subsidiary companies that are owners of the businesses carried out by the Group will be responsible for their regular and effective management and regular control.

Article 6. Duration

The Company is incorporated for an indefinite duration. The Company started its activity on the date on which the articles of incorporation were executed.

CHAPTER II. SHARE CAPITAL, SHARES AND SHAREHOLDERS

Article 7. Share capital

The share capital is ONE HUNDRED AND FIFTEEN MILLION SEVEN HUNDRED NINETY FOUR THOUSAND THREE HUNDRED SEVENTY FOUR EUROS AND NINETY FOUR CENTS (€ 115,794,374.94), represented by 681,143,382 ordinary shares of seventeen cents nominal value each, numbered consecutively from 1 to 681,143,382, comprising a single class and series, which are fully subscribed and paid.

Article 8. Shares

The shares will be represented by book entries and will be subject to the provisions of stock exchange regulations and other provisions of legislation in force.

Article 9. Shareholder status

1. Each Gamesa share confers the status of shareholder to its rightful owner and confers to him/her the rights and obligations established by law or in the Corporate Governance Standards.

2. The Company will confer shareholder status to anyone authenticated in the corresponding book entry records.

3. Shareholders and owners with limited rights or liens over shares can receive authentication certificates with the formalities and purposes provided by law.

4. The Company can access at any time the necessary data for the full identification of shareholders, including addresses and means of contact to communicate with them, in the terms established by law.

Article 10. Shareholders and the Company

1. Ownership of shares implies conformity with these By-laws and the other Corporate Governance Standards of the Company, as well as acceptance of the decisions legally adopted by the governing and management bodies of the Company.

2. Shareholders must exercise their rights to the Company and the other partners in accordance with the Corporate Governance Standards and their duties of loyalty, transparency and good faith, within the framework of the corporate interest as the priority interest before the individual interest of each shareholder.

CHAPTER III. SHARE CAPITAL INCREASE AND REDUCTION

Article 11. Share capital increase and reduction

1. Share capital may be increased by resolution of the Shareholders' General Meeting, or in the case of authorized capital, by resolution of the Board of Directors, with the requirements and methods provided by law or by the Corporate Governance Standards.

2. The increase in capital can be carried out by issuing new shares, or by increasing the nominal value of existing shares, and the equivalent value of the increase may consist of monetary or non-monetary contributions, including the contribution of loans to the Company, or it can be charged to profits or reserves already included in the last approved balance sheet. The capital increase can also be partly charged to new contributions and partly charged to reserves.

3. Unless the resolution for increase expressly provides otherwise, partial capital increases will be accepted in cases in which the increase would not have been entirely subscribed within the deadline established for such purpose.

4. The Shareholders' General Meeting may delegate to the Board of Directors, as applicable with powers of substitution, the power to decide, on one or more occasions, to increase the share capital, in the terms and subject to the limitations provided by law.

5. The Shareholders' General Meeting may delegate to the Board of Directors, as applicable with powers of substitution, the power to execute a resolution of share capital increase previously adopted by the Shareholders' General Meeting, within the limits established by law, indicating the date or dates of execution and determining the conditions of the increase in all matters not provided for by law.

The Board of Directors may use this power in whole or in part, and may also refrain from executing the increase based on market conditions, the Company itself or any event or circumstance of particular relevance which justifies it, explaining it to the first Shareholders' General Meeting that is held after the term granted for executing the resolution of increase.

6. The Shareholders' General Meeting may resolve to eliminate the preferential purchase rights, in whole or in part, due the requirements of the corporate interest, in the cases and under the conditions established by law or in the Corporate Governance Standards. For authorized share capital, the Shareholders' General Meeting may delegate to the Board of Directors the power to exclude the preferential purchase right regarding the increases that are agreed by resolution.

It is considered that the corporate interest can justify the elimination of the preferential purchase rights when necessary in order to facilitate: (a) the disposition of new shares in foreign markets that permit access to financing sources; (b) the capture of resources by using disposition techniques based on research of demand suitable for improving the type of issue of the shares; (c) the incorporation of industrial, technological or financial partners; and (d) in general, the performance of any transaction that is beneficial for the Company.

7. The Shareholders' General Meeting may resolve to reduce the share capital, in the methods and with the terms and conditions established by law or in the Corporate Governance Standards. In the case of reduction of capital in the form of return of contributions, shareholders can be paid, in full or partially, so long as the conditions established in section 5, article 51 of these By-laws are fulfilled.

8. The Shareholders' General Meeting may agree to a resolution, in accordance with the provisions of the law and other applicable provisions, the reduction of capital to repay a certain group of shares, provided that: (a) this group is defined based on substantive, uniform and non-discriminatory criteria; (b) the reduction resolution is approved both by a majority of the shares of the shareholders belonging to the group affected by the reduction and by the majority of shares of the rest of the shareholders in the Company; and (c) the amount payable by the Company is not less than the minimum price calculated in accordance with current legislation.

CHAPTER IV. ISSUING BONDS AND OTHER SECURITIES

Article 12. Issuing bonds and other securities

1. The Company may issue and guarantee, in accordance with the legal provisions or the Corporate Governance Standards, a numbered series of bonds or other securities that acknowledge or create a debt.

2. The Company may also guarantee the bonds or securities issued by its subsidiaries.

TITLE II. SHAREHOLDERS' GENERAL MEETING

Article 13. Shareholders' General Meeting

1. The shareholders, constituted in the Shareholders' General Meeting, must decide by majority as required by law and the Corporate Governance Standards, on matters within its competence.

2. The duly adopted resolutions of the Shareholders' General Meeting are binding for every shareholder, including the absent ones, those who vote against it, those who vote blank, those who abstain from voting and those who lack voting rights, without prejudice to the rights of challenge which may correspond to them.

3. The Shareholders' General Meeting is governed by the provisions of the law, the By-laws, the Shareholders' General Meeting Regulations, the Corporate Governance Standards and other provisions approved by the Board of Directors in the scope of its competencies.

Article 14. Competencies of the Shareholders' General Meeting

The Shareholders' General Meeting will decide on matters conferred to it by law, these By-laws, the Regulations of the Shareholders' General Meeting and the Corporate Governance Standards. In particular:

a) The approval of the financial statements, the allocation of earnings and the approval of corporate management;

b) Regarding the composition of the administrative body: (i) the determination of the number of Directors within the limits established in these By-laws; (ii) the appointment, re-election and removal of Directors; and (iii) the ratification of the Directors appointed by co-option;

c) The exercise of social responsibility action;

d) The appointment, re-election and removal of auditors.

e) The increase and reduction of share capital and the delegation to the Board of Directors of the power to implement an already agreed capital increase or share capital increase;

f) Issuing (i) bonds and other negotiable securities, (ii) convertible and/or redeemable bonds in shares, or (iii) bonds which confer to the bondholders a stake in the Company earnings, as well as delegate the power of their issue to the Board of Directors;

g) Decide on the elimination of preferential rights or agree to the delegation of this power to the Board of Directors;

h) The modification of these By-laws and the Regulations of the Shareholders' General Meeting;

i) The authorization for share buyback;

j) The purchase, transfer or contribution of essential assets to another company;

k) Transfer to dependent entities of essential activities carried out until that time by the Company, while still retaining full control over them;

l) The transformation, merger, spin-off, global transfer of assets and liabilities and transfer of the corporate address abroad;

m) The dissolution of the Company, approval of operations whose value is equivalent to the liquidation of the Company, approval of the final liquidation balance sheet and the appointment, re-election and removal of the liquidators;

n) The approval and modification of the Director remuneration policy;

o) The establishment of remuneration systems for the Directors consisting of giving shares or rights to them or that are referenced to the price of the shares.

p) The authorization or exemption of the Directors from the prohibitions derived from the duty of loyalty and the duty to avoid situations of conflict of interest, when authorization legally corresponds to the Shareholders' General Meeting; and

q) Any other matter determined by law or the Corporate Governance Standards, or which are subject to consideration by the Board of Directors or by the shareholders.

Article 15. Convening of the Shareholders' General Meeting

1. The Shareholders' General Meeting shall be convened by the Board of Directors or, if applicable, by the persons provided by law, by notice published in advance and with the references required by law.

2. The dissemination of the call to convene will be carried out, at least, through: (a) the Official Bulletin of the Companies Registry; (b) the Spanish National Securities Commission web page; and (c) the Company's corporate web page.

3. The Company will maintain the published call to convene continuously available on its corporate web page at least until the Shareholders' General Meeting has been held.

4. The Board of Directors shall convene the Shareholders' General Meeting in the following cases:

a) In the case of an Ordinary Shareholders' General Meeting, within the first six months of each financial year. The Ordinary Shareholders' General Meeting will be valid even if it has been convened or held late.;

b) If requested by a number of shareholders who own or represent at least 3% of the share capital, in the manner provided by law and so long as the matters to be included on the agenda are specified in the request; and

c) When a takeover bid for securities issued by the Company is called, in order to inform the Shareholders' General Meeting about the aforementioned takeover bid and to deliberate and decide on matters submitted for consideration.

5. The shareholders representing at least 3% of the share capital may request, by certified notification to be received by the Company within the five days following the publication of the notice to convene, the publication of a supplement to this, including one or more items on the agenda, provided that the new items are accompanied by a justification or, where appropriate, a justified proposal for a resolution. In no case may such right be exercised with respect to the call to convene an Extraordinary Shareholders' General Meeting.

6. Shareholders representing at least 3% of the share capital may, in the same period indicated in the preceding section, submit proposals founded regarding matters already included or to be included on the agenda of the Shareholders' General Meeting. The Company shall ensure the dissemination of these resolution proposals and the documentation if it is attached, to other shareholders by means of the corporate web page.

Article 16. Shareholder's right to information

1. From the publication of the notice to convene and at least until the Shareholders' General Meeting, the information required by law or by the Corporate Governance Standards will be published on the Company's corporate web page.

2. From the date of publication of the notice to convene of the Shareholders' General Meeting until the fifth day before the meeting, inclusive, in preparation for the meeting in the first notice to convene, shareholders may request in writing the information or clarifications they deem necessary, or draw up questions in writing that they deem appropriate, regarding: (a) the items included on the agenda; (b) the information accessible to the public which has been provided by the Company to the Spanish National Securities Market Commission since the last Shareholders' General Meeting; and (c) the audit report.

3. The Board of Directors is required to provide the information requested in writing, pursuant to the preceding section, until the day of the Shareholders' General Meeting, to be sent to the address expressly indicated by the requesting shareholder for notification purposes. If no address is specified in the request, the written reply will be available to the shareholder at the corporate address of the Company until the day of the Shareholders' General Meeting.

4. In all cases, shareholders have the right to, at the corporate address, examine, obtain or request free delivery of the documents established in the law.

5. During the Shareholders' General Meeting, they may verbally request the information or clarification they deem appropriate concerning the conditions indicated in section 2 above. If it is not possible to provide the information requested at that time, the Board of Directors shall provide it in writing within the period prescribed by law.

6. The Board of Directors is obligated to provide the information requested in accordance with the provisions of this article, in the manner and with the periods provided by law or the Corporate Governance Standards of the Company, except in the cases and conditions provided by law. The requested information may not be refused when the request is supported by shareholders representing at least 25% of the share capital.

Article 17. Venue

The Shareholders' General Meeting will be held at the place indicated in the notice to convene, within the municipality of Zamudio.

Article 18. Constitution of the Shareholders' General Meeting

1. The Shareholders' General Meeting will be validly constituted on the first and second call to convene with the minimum quorum required by law, taking into account the items included on the agenda of the call to convene.

2. Any absences that occur once the Shareholders' General Meeting has been constituted will not affect the validity of the meeting.

3. If, to adopt a resolution regarding one or several of the items on the agenda of the Shareholders' General Meeting: (a) a specific percentage of the share capital must be present in accordance with the law or the Corporate Governance Standards and that percentage is not reached; or (ii) consent from certain interested shareholders is required and they are not present or represented at the Shareholders' General Meeting, the meeting shall be limited to deliberating and deciding on those items on the agenda that do not require that attendance of such percentage of share capital or the consent of those shareholders.

Article 19. Attending the Shareholders' General Meeting

1. Any shareholder with the right to vote on equal terms can attend the Shareholders' General Meeting and participate, with the right to speak and vote, in deliberations.

2. To exercise the right to attend, the shares must be registered in the shareholder's name in the corresponding book entries five days before the Shareholders' General Meeting. This circumstance must be proven by the necessary attendance, delegation and distance voting card or authentication certificate issued by the company or companies in charge of keeping the book entries, or by any other means established by law or in the Corporate Governance Standards. The Company can check whether the shareholder whose identity has been proven more than five days in advance continues to be so on the fifth day prior to the date of the Shareholders' General Meeting.

3. Shareholders can attend the Shareholders' General Meeting by going to the meeting venue and, when so indicated on the call to convene, additional locations that the Company has made available for that purpose and which are connected to the main venue by systems that allow real-time recognition and identification of attendees, permanent communication between them and casting of votes. Attendees at any of the additional locations will be considered attending the same and only meeting, which shall be understood as held where the Board of the Shareholders' General Meeting is located.

4. The Chairman of the Shareholders' General Meeting can authorize the attendance of executives, technicians and other persons related to the Company. He/she can also provide financial analysts and any other person deemed appropriate with access to the communication means, and authorize its simultaneous or delayed retransmission. The Shareholders' General Meeting can revoke this authorization.

Article 20. Representation at the Shareholders' General Meeting

1. Shareholders with the right to attend may grant their representation to another person, shareholder or not, in accordance with the requirements and formalities established by law and in the Corporate Governance Standards.

2. The representation must be conferred, unless the law states otherwise, and specifically for each Shareholders' General Meeting, in writing or by mail or e-mail and in accordance with the provisions for distance voting, as long as it is not incompatible with the type of representation.

3. It shall be understood that a public request for representation exists when the cases established by law occur.

4. Once the Shareholders' General Meeting has been constituted, the Chairman and Secretary of the Board of Directors or the Chairman and Secretary of the Shareholders' General Meeting, along with any person delegated by them, will have broad powers to verify the identify of the shareholders and their representatives, check the ownership and authentication of their rights and declare the validity of the attendance, delegation and distance voting card, document or means proving the right to attend or right to representation.

5. The Regulations of the Shareholders' General Meeting will regulate aspects regarding attendance by a representative.

Article 21. Chairman's Office, Secretary's Office and Board of the Shareholders' General Meeting

1. The Chairman of the Board of Directors will act as the Chairman of the Shareholders' General Meeting, and in his/her absence, the Vice Chairman and, in his/her absence, the person appointed by the Board.

2. The Secretary of the Board of Directors will act as the Secretary of the Shareholders' General Meeting and, in his/her absence, the person appointed by the Board.

3. The Board of the Shareholders' General Meeting will consist of the Chairman, Secretary and members of the Board of Directors attending the Shareholders' General Meeting.

4. Without prejudice to the other competencies assigned to it by these By-laws or the Corporate Governance Standards, the Board will assist the Chairman of the Board of Directors in exercising his/her duties. The Chairman will have the powers to: (a) reduce the notification period established in Article 24 for the Company to receive the votes cast at a distance; and (b) accept and authorize the distance votes received after the aforementioned term, insofar as the available means allow doing so.

Article 22. Attendance list

1. The Board will draw up the attendance list, specifying the type or representation of each attendee and the number of own or third party shares they represent.

2. Any questions or complaints regarding the elaboration of the attendance list and compliance with the requirements for constitution will be resolved by the Chairman of the Shareholders' General Meeting.

Article 23. Deliberation and voting

1. In accordance with the law and the Corporate Governance Standards of the Company, the Chairman of the Shareholders' General Meeting is responsible for presiding over the meeting; accepting or rejecting new proposals regarding the items on the agenda; arranging and guiding deliberations; rejecting the inappropriate proposals made by shareholders when participating; indicating the time and establishing the system or procedure for voting; counting the votes and stating the outcome; temporarily suspending the Shareholders' General Meeting or suggesting its extension, close and, in general, all the powers, including those of order and discipline which are required for properly conducting the meeting.

2. The Chairman is also responsible for making decisions on suspending or limiting voting rights, and specifically the right to vote associated with shares, in accordance with the law.

3. The Chairman of the Shareholders' General Meeting can place the Director or Secretary deemed appropriate or the Secretary of the Shareholders' General Meeting in charge of presiding over the meeting. Either individual will carry out this task on behalf of the Chairman and the Chairman can take over at any time. If the Chairman or Secretary of the Shareholders' General Meeting is temporarily absent or suddenly unable, the corresponding individuals will assume their duties in accordance with the provisions in Article 21.

4. Resolutions will be voted on by the Shareholders' General Meeting in accordance with the legal provisions and those in the Corporate Governance Standards.

Article 24. Distance voting

1. Shareholders can cast their distance vote on the agenda items once the meeting is convened, meeting the requirements established by law and the Corporate Governance Standards.

2. Shareholders who have cast a distance vote shall be considered present for the purposes of the constitution of the Shareholders' General Meeting.

3. The Company must receive the distance vote before midnight on the day before the planned holding of the Shareholders' General Meeting on the first or second call to convene, as applicable.

4. The Board of Directors has the power to draw up the distance voting rules, methods and procedures, along with the applicable preference and conflict rules.

5. Once the Shareholders' General Meeting has been constituted, the Chairman and Secretary of the Board of Directors or the Chairman and Secretary of the Shareholders' General Meeting, along with the individuals delegated by them, will have broad powers to check and declare the validity of the distance votes cast, in accordance with the provisions established in the Corporate Governance Standards of the Company and the rules established by the Board of Directors when drawing them up.

6. Shareholders can attend the Shareholders' General Meeting remotely via simultaneous webcasting and cast their distance vote digitally during the Shareholders' General Meeting if established in the Regulations of the Shareholders' General Meeting, subject to the requirements specified therein.

Article 25. Conflicts of interest

1. The shareholder may not exercise his/her right to vote in the Shareholders' General Meeting, personally or by means of a representative, when adopting a resolution whose purpose is:

a) to release him/her from an obligation or to grant him/her a right;

b) to provide him/her with any type of financial assistance, including the provision of guarantees in his/her favor; and

c) to exempt him/her, if a Director, from the prohibitions resulting from the duty to avoid situations of conflict of interest agreed in accordance with the legal provisions and those in the Corporate Governance Standards.

2. The provisions in the above section will also apply when the resolutions affect, if the shareholder is a natural person, the entities or companies controlled by him/her. If the shareholder is a legal entity, these provisions will apply to the entities or companies that belong to its group (as established by law) even when these companies or entities are not shareholders.

3. If a shareholder who is prohibited from voting based on the aforementioned prohibitions attends the Shareholders' General Meeting, his/her shares will be deducted from the attendees in order to determine the number of shares based on which the required majority for adopting the corresponding resolutions will be calculated.

Article 26. Adopting resolutions

1. Each share with the right to a presence vote or represented vote at the Shareholders' General Meeting will grant the right to one vote.

2. Except for cases in which the law or these By-laws require a greater majority, the Shareholders' General Meeting shall adopt its resolutions by simple majority of the votes of the present or represented shareholders, understanding a resolution as adopted when it obtains more votes in favor than against, of the present or represented capital.

Article 27. Extension and suspension of meetings

1. The Shareholders' General Meeting can agree on its own extension for one or several consecutive days in accordance with the law and the Corporate Governance Standards. Regardless of the number of sessions, there is only one Shareholders' General Meeting and only one set of minutes are recorded to cover all of the sessions.

2. The Shareholders' General Meeting can also be suspended temporarily in the cases and conditions established by law or the Corporate Governance Standards.

TITLE III. ADMINISTRATION OF THE COMPANY

CHAPTER I. GENERAL PROVISIONS

Article 28. Administration and representation of the Company

1. The Board of Directors and, if agreed on by it, the Delegated Executive Committee and, if there is one, the CEO, are responsible for administrating and representing the Company, all in accordance with the terms set forth by law and the Corporate Governance Standards.

2. The Board of Directors and the Delegated Executive Committee shall jointly exercise their powers of representation. The CEO shall have individual powers of representation.

3. The resolutions of the Board of Directors or the Delegated Executive Committee will be executed by their Chairman, Secretary, or Director which, where applicable, is appointed in the resolution, each of them acting individually.

CHAPTER II. THE BOARD OF DIRECTORS

Article 29. Administration of the Company

1. The Board of Directors shall have the competencies that, notwithstanding legal provisions, are specified in the By-laws, Regulations of the Board of Directors and other applicable provisions in the Corporate Governance Standards.

2. The Regulations of the Board of Directors shall consider the principles and standards provided in the most well-recognized recommendations on good corporate governance, particularly those which are promoted by regulatory bodies, notwithstanding their adaptations to the specifics of the Company.

Article 30. Composition of the Board of Directors and appointment of Directors

1. The Board of Directors shall consist of a certain number of Directors, shareholders or non-shareholders of the Company, which will be no less than five or greater than fifteen, appointed or approved by the Shareholders' General Meeting in accordance with the law and the requirements established in the Corporate Governance Standards of the Company.

Those appointed will hold their position for four years, without prejudice to the power of the Shareholders' General Meeting to issue a resolution for their removal, which it can do at any time.

2. The Shareholders' General Meeting shall be responsible for determining the number of Directors. For this purpose, it can set this number by express agreement or, indirectly by providing openings or appointing new Directors within the aforementioned minimum and maximum numbers. The aforementioned is understood without prejudice to the proportional representation system in the terms set forth by law.

3. If there are openings during the period for which Directors were appointed, the Board of Directors can appoint individuals to occupy them until the first Shareholders' General Meeting is held.

4. The following individuals cannot be Directors or, where applicable, natural person representatives of a Legal Entity Director:

a) Any person who is included in any other case of incompatibility or prohibition regulated in the laws or general provisions.

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) Individuals who, in the two years prior to their possible appointment and notwithstanding the legally enforceable period, held: (i) senior management positions in the public sector or (ii) positions of responsibility in regulatory bodies of the sector or sectors in which the Group acts and in which the Company undertakes its activity.

d) In general, people who have any kind of interests opposite those of the Company or Group.

5. The appointment, approval, re-election and removal of Directors must be in accordance with the legal provisions and the Corporate Governance Standards of the Company.

Article 31. Call to convene and meetings of the Board of Directors

1. The Board of Directors shall be convened by its Chairman, of his/her own initiative, by the Coordinating Director, or by at least a third of its members. If upon request to the Chairman of the Board of Directors, he/she does not convene it in the period of one month without a justified reason, the following individuals may convene it at the corporate address and indicating the agenda: (a) the Coordinating Director; and (b) the Directors which represent one third of the members of the Board of Directors.

2. The Board of Directors shall meet with the necessary or advisable frequency for the Company to operate well, and at least eight times a year.

3. The meetings will be held at the place and time indicated in the call to convene, in accordance with the law and the Corporate Governance Standards.

4. Notwithstanding the aforementioned, the Board of Directors shall be validly constituted when, without any need for convening, all of the Directors are present or represented, and they unanimously agree to hold the meeting and agree on the items of the agenda.

5. The Board of Directors can meet in writing and without a meeting, or using any other means set forth by law or the Corporate Governance Standards.

6. The Chairman of the Board of Directors may invite to meetings all those individuals who may contribute to improving the information of the Directors.

Article 32. Constitution and majority to adopt resolutions

1. The attendance of the majority of the Directors at the meeting, between present and represented, will be required for the valid constitution of the Board of Directors.

2. 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 to another Non-executive Director.

3. The Chairman, as the individual responsible for the effective operation of the Board of Directors, shall preside over and stimulate the debate and the active participation of Directors during its meetings, safeguarding their right to freely make decisions and state their opinions.

4. The resolutions shall be adopted by absolute majority of the present and represented votes at the meeting, unless the law or the Corporate Governance Standards establish greater majorities. In the event of a tie, the Chairman will have the casting vote.

In all cases, the favorable vote of at least two-thirds of the members of the Board of Directors shall be required for: (a) appointing members of the Delegated Executive Committee, the permanent delegation of powers to the Delegated Executive Committee or CEO, as well as appointing the Directors who should exercise them; (b) modifying the Regulations of the Board of Directors unless they are changes imposed by mandatory regulations; and (c) approving the contract with the CEO or the Director to which executive powers are conferred in virtue of another title.

Article 33. Competencies and duties

1. The Board of Directors is competent to adopt resolutions on any matter that is not conferred by law or the Corporate Governance Standards to the Shareholders' General Meeting.

2. The broadest powers for administrating, managing and representing the Company correspond to the Board of Directors.

3. Notwithstanding the aforementioned, the Board of Directors shall focus its activities on the general operations of on supervising, establishing and promoting general strategies and policies, and considering matters of particular importance for the Company and its Group.

4. The Board of Directors shall perform its duties with unity of purpose, independence of criteria, and pursuing the attainment of the corporate interest.

5. The Regulations of the Board of Directors will specify the competencies reserved for this body. In any case, the following correspond to it:

a) Establishing the bases for corporate organization in order to ensure its effectiveness and facilitate its supervision.

b) Establishing, within the legal limits, the general management strategies and guidelines of the Group: (a) implementing the appropriate mechanisms for exchanging information of interest to the Company and companies in its Group; (b) supervising the general development of these strategies and guidelines; and (ii) making decisions on matters of strategic relevance at the Group level.

c) Approving the policies of the Company and the Gamesa Group.

d) Supervising the effective operation of any committees that have been constituted and the actions of the delegated bodies.

e) Appointing and removing internal positions of the Board of Directors, as well as members of the committees of the Board of Directors. Specifically, appointing and removing the CEO of the Company, as well as establishing the terms and conditions of his/her contract and appointing and removing the members of the Delegated Executive Committee.

f) Approving the appointment and removal of Senior Management and establishing the basic terms and conditions of their contracts, including their remuneration and compensation clauses.

g) Preparing the financial statements and the report on individual management of the Company and consolidated management reports with its subsidiaries, as well as the proposed allocation of earnings for approval, where applicable, by the Shareholders' General Meeting.

h) Approving the Internal Code of Conduct for the Securities Markets and the subsequent modifications thereof, the Sustainability Report, the Annual Corporate Governance Report and the Annual Report on Remuneration of Directors, reporting and publishing their content in accordance with the law.

i) Evaluating and supervising the quality and efficiency of the operation of the Board of Directors and its committees, as well as the performance of duties by the Chairman and, if there is one, the CEO and Coordinating Director.

j) Making decisions on proposals submitted to it by the CEO or the committees of the Board of Directors.

Article 34. Delegation of powers

1. The Board of Directors can delegate, wholly or partially, even permanently, the powers related to the competencies conferred to it, to the Delegated Executive Committee or to the CEO.

2. The powers set forth by law or the Corporate Governance Standards that are not delegable can, in no case, be delegated. This also applies to the powers that the Shareholders' General Meeting may have delegated to the Board of Directors, unless expressly authorized by it.

CHAPTER III. COMMITTEES AND POSITIONS OF THE BOARD OF DIRECTORS

Article 35. Committees of the Board of Directors

1. The Board of Directors may constitute (a) a Delegated Executive Committee, without prejudice to the individually delegated powers; and (b) specialized commissions or committees with an internal scope, for specific areas of activity whose powers are limited to information, advising and proposals, supervision and control, establishing the duties assumed by each one. The members of these commissions and committees will be appointed by the Board of Directors.

2. The Company must always have an Audit, Compliance and Related Party Transactions Committee and an Appointments and Remuneration Committee (or two separate committees, an Appointment Committee and a Remuneration Committee, in which case the references in these By-laws to the Appointments and Remuneration Committee shall be understood as made to the corresponding committee) (the "**Advisory Committees**").

3. The commissions and committees will regulate their own operation in the terms set forth in these By-laws and the Corporate Governance Standards.

Article 36. Delegated Executive Committee

1. The Board of Directors may constitute a Delegated Executive Committee with all or part of the inherent powers of the Board of Directors, except those which are not delegable in accordance with the law or the Corporate Governance Standards.

2. The Delegated Executive Committee must be made up of the number of Directors as decided by the Board of Directors, with a minimum of four and a maximum of eight.

3. The Chairman of the Board of Directors and the CEO shall always be part of the Delegated Executive Committee.

4. The appointment of members of the Delegated Executive Committee and the permanent delegation of powers to it shall be undertaken by the Board of Directors and requires a vote in favor by two-thirds of its members. The Board of Directors shall decide when, how and to what extent the Committee is renewed.

5. The meetings of the Delegated Executive Committee must be presided over by the Chairman of the Board of Directors and, in his/her absence, by the Director appointed by the Committee. The Secretary of the Board of Directors shall act as Secretary and, in his/her absence, the Vice Secretary and, in their absence, the individual appointed by the Delegated Executive Committee, who may or may not be a Director.

6. The resolutions of the Delegated Executive Committee shall be adopted by an absolute majority of present and represented votes. In the event of a tie, the Chairman will have the casting vote.

Article 37. Advisory Committees

1. The Advisory Committees will consist of a minimum of three Directors and a maximum of five, designated by the Board of Directors.

2. The Advisory Committees shall exclusively consist of Non-executive Directors, at least two of which should be Independent Directors, except in the case of the Audit, Compliance and Related Party Transactions Committee, in which Independent Directors shall be majority. At least one of the Independent Directors that is to be part of the Audit, Compliance and Related Party Transactions Committee will be designated taking into account his/her knowledge and experience in accounting, auditing, or both.

3. The Advisory Committees shall elect their Chairman from among their members. This individual must be an Independent Director. The Chairman must be replaced every four years and can be re-elected after the period of one year from his/her removal.

4. The Board of Directors shall approve the Regulations of the Advisory Committees in which their competencies will be established and the standards related to their composition and operation shall be set forth for carrying out their purpose. The Audit, Compliance and Related Party Transactions Committee shall always report on the operations undertaken with related parties.

Article 38. The Chairman, Vice Chairman or Vice Chairmen of the Board of Directors

1. The Board of Directors will elect a Chairman from among its Directors. If the position of the Chairman of the Board of Directors is to be filled by an Executive Director; the appointment will require the vote in favor of at least two-thirds of the Board of Directors members. Removal from this position will require the absolute majority of the Board of Directors members.

2. The Chairman holds the highest responsibility for the effective operation of the Board of Directors.

3. He/she will have, in addition to the powers granted by law or the Corporate Governance Standards, the following powers:

a) Convening and presiding over the meetings of the Board of Directors, establishing their agenda and directing the discussions and deliberations;

b) Ensuring, together with the Secretary, that the Directors receive in advance enough information for deliberating and adopting resolutions on the items included on the agenda;

c) Encouraging debate and active participation of the Directors during the meetings, safeguarding their right to freely adopt positions;

d) Unless he/she is an Executive Director, organizing and coordinating with the Chairmen of the corresponding committees the regular assessment of the Board of Directors and the CEO or Chief Executive of the Company. If he/she is an executive, the Appointments and Remuneration Committee will assume this duty.

e) Submitting to the Board of Directors other proposals he/she deems appropriate for the success of the Company, and especially those related to the operation of the Board of Directors and other corporate bodies.

4. The Board of Directors may elect one or more Vice Chairmen from among its members who will temporarily stand in for the Chairman of the Board of Directors in the event of a vacancy, absence,

illness or inability. The Vice Chairman will preside over the process of electing a new Chairman in the event of removal, notification of resignation, inability or death. If there is no Vice Chairman, the process shall be led by the designated Director in accordance with the following section.

5. If there is more than one Vice Chairman of the Board of Directors, the Board of Directors will designate one of them to replace the Chairman of the Board of Directors; otherwise, he/she will be replaced by the one with greater seniority in the position; in the event of equal seniority, by the one who is older. If a Vice Chairman has not been designated, the Chairman will be replaced by the Director with greater seniority in the position, and, in the event of equal seniority, by the one who is older.

Article 39. The Coordinating Director

1. If the position of Chairman of the Board of Directors is to be filled by an Executive Director, the Board of Directors must designate a Coordinating Director from among the Independent Directors, with the abstention of the Executive Directors. The Coordinating Director can be part of the Advisory Committees or the Executive Committee, but shall not hold any position therein or on the Board of Directors.

2. The Coordinating Director shall express the concerns of Non-executive Directors and will have the powers included in the *Regulations of the Board of Directors*.

Article 40. CEO

1. The Board of Directors, with the favorable vote of at least two-thirds of the Directors, can appoint a CEO with the powers it deems appropriate and that can be delegated in accordance with the law or the Corporate Governance Standards of the Company.

2. In the event of vacancy, absence, illness or inability of the CEO, his/her duties will be temporarily assumed by the Chairman of the Board of Directors, or in his/her absence, the Vice President or the appointed Director, in accordance with the provisions of Article 38, who will convene the Board of Directors in order to deliberate and make decisions on the appointment, where applicable, of a new CEO.

Article 41. Secretary and Vice Secretary

1. The Board of Directors shall appoint a Secretary and, where applicable, a Vice Secretary who may or may not be Directors and who shall replace the Secretary in the event of vacancy, absence, illness or inability. The same procedure shall be followed to agree on the removal of the Secretary and, where applicable, of each Vice Secretary.

2. In the absence of the Secretary and Vice Secretary, the Director designated by the Board of Directors from among the attendees of the meeting shall act as such.

3. The Secretary of the Board of Directors shall perform the duties assigned to him/her by law and the Corporate Governance Standards.

CHAPTER IV. BY-LAWS OF THE DIRECTORS

Article 42. Categories of Directors

1. The Board of Directors consists of any of the following categories of appointed Directors: (a) Executive Directors; and (b) Non-executive Directors; Non-executive Directors may be Independent, Proprietary or other External Directors.

2. The Regulations of the Board of Directors can specify and expand on these categories within the framework established by law.

3. The Board of Directors will be composed in such a way that Non-executive Directors form an overall majority of the Board of Directors. This indication is mandatory for the Board of Directors and optional for the Shareholders' General Meeting.

4. The category of each Director will be justified by the Board of Directors before the Shareholders' General Meeting, which should appoint or approve their appointment or agree on their re-election.

Article 43. General obligations of Directors

1. Directors must serve in this position and fulfill the duties imposed on them by law and the Corporate Governance Standards of the Company with the diligence of an ordinary businessperson, taking into account the nature of the position and the duties conferred to them. Furthermore, Directors must serve in this position with the loyalty of a faithful representative, working in good faith and in the best interest of the Company.

2. Directors must personally attend the meetings of the Board of Directors, without prejudice the power of delegating their representation to another Director.

3. The Regulations of the Board of Directors will establish the specific obligations of the Directors in terms of the duty of care, confidentiality, non-competition and loyalty, with particular attention to situations of conflict of interest.

4. Directors must resign and formalize their resignation from the position when they are involved in any of the cases of incompatibility, non-suitability, structural and permanent conflict of interest or prohibition to occupy the position of Director set forth by the law or the Corporate Governance Standards of the Company.

5. The system for exemption from the obligations listed in this article may be authorized by the Board of Directors or the Shareholders' General Meeting in the cases and conditions established by law or in the Corporate Governance Standards.

Article 44. Term of the position

1. Directors shall serve in their position for a period of four years, as long as the Shareholders' General Meeting does not agree on their removal and they do not resign from their position.

2. Directors may be re-elected one or more times for periods of four years.

Article 45. Remuneration of the Board of Directors

1. The position of Director will be a paid position.

2. As a result of their position, Directors shall receive remuneration which will include the following items of remuneration:

a) A fixed and determined annual salary; including, where applicable, contributions to welfare systems for pensions and/or life insurance premium payments and capitalization; and

b) Allowance for attendance, whether at the Board of Directors meetings or the committees of which the Director is a member.

3. The maximum amount of remuneration that the Company will allocate for expenses to all of its Directors for the items referred to in the previous section, will be the amount determined by the Shareholders' General Meeting and shall remain in force as long the meeting does not agree to change it. The exact amount to pay for each period within this limit and its distribution among the various Directors will be determined by the Board of Directors.

4. Remuneration does not have to be the same for all the Directors. The remuneration allocated to each Director will be determined based on the following criteria, among others:

a) The positions held by the Director on the Board of Directors;

b) The involvement of the Director in delegated bodies of the Board of Directors; and

c) The duties and responsibilities conferred to each Director, as well as his/her dedication to the Company.

5. In addition, and regardless of the remuneration mentioned in the previous sections, remuneration systems referenced to the price of shares or which involve the distribution of shares or rights to purchase shares for Directors can be established. The Shareholders' General Meeting must agree on the application of these remuneration systems, establishing the price of the shares taken as a reference, the maximum number of shares to be distributed to Directors, the price or system for calculating the price for exercising the rights to purchase shares, the duration of this remuneration system and other relevant conditions. Also, and in accordance with legal requirements, similar remuneration systems may also be established for personnel, whether they are executives or not, of the Company and its Group.

6. The aforementioned remuneration is compatible and independent of wages, remuneration, severance pay, pensions, welfare contributions, life insurance, distribution of shares or rights to purchase shares or any other type of compensation established in general or specifically for members of the Board of Directors who perform executive duties, regardless of whether their relation with the Company is labor (standard or special senior management), commercial or service rendering in nature, i.e. relations that are compatible with the position of member of the Board of Directors.

7. The remuneration and other conditions of Executive Directors for performing administrative duties will be established in the contract that, for this purpose, is signed between them and the Company. It will be adjusted to the Director remuneration policy approved by the Shareholders' General Meeting and is

always in force. The formalization of contracts drawn up under these terms must be approved by the Board of Directors with a vote in favor of at least two-thirds of its members.

8. The Company can take out a public liability insurance policy for its Directors.

Article 46. Information powers

1. Unless the Board of Directors was constituted or exceptionally convened for urgent matters, the Directors must have, sufficiently in advance, the information required in for deliberating and adopting resolutions on the items to address.

2. The Director is granted the broadest powers to obtain information on any aspect of the Company; study its books, records, documents and other information on corporate operations; access all of its facilities; and communicate with the Company executives.

3. The exercise of the aforementioned powers shall be channeled through the Secretary of the Board of Directors, who will act on behalf of its Chairman in accordance with the provisions in the Corporate Governance Standards of the Company.

TITLE IV. CORPORATE INFORMATION

Article 47. Transparency and corporate information

The Company shall encourage continuous, permanent, transparent and appropriate information to its shareholders. The Board of Directors shall establish the channels of participation through which the Company will encourage participation, with the appropriate coordination mechanisms and guarantees.

Article 48. Corporate web page

1. The Company will set up and maintain a web page for shareholder and investor information, which will contain the documents and information set forth in the applicable legislation, as well as any that the Board of Directors or Shareholders' General Meeting may decide are necessary.

2. The Company, in accordance with the legislation in force, will publish an Online Shareholder Forum on its corporate web page that any individual shareholder or voluntary associations which he/she may be a part of can access with full guarantees.

TITLE V. FINANCIAL STATEMENTS AND ALLOCATION OF EARNINGS

Article 49. Fiscal year and preparation of financial statements

1. The fiscal year shall be the same as the calendar year.

2. In accordance with the provisions of the law, the Board of Directors will prepare the financial statements, the management report, the proposed allocation of Company earnings, the consolidated financial statements and the consolidated management report within three months from the end of the fiscal year.

Article 50. Auditors

1. The financial statements and management report of the Company, as well as with the consolidated financial statements and consolidated management report, must be reviewed by auditors.

2. The auditors will be appointed by the Shareholders' General Meeting before the end of the fiscal year being audited for an initially established period that cannot be less than three years or more than nine, counting from the date on which the first fiscal year being audited starts. The Shareholders' General Meeting can re-elect the auditors in accordance with the terms established by law once the initial period has ended.

3. The auditors will write a detailed report on the results of their work, in accordance with legislation on auditing financial statements.

Article 51. Approval of statements, allocation of earnings and distribution of dividends

1. The Board of Directors, in the first three months of the year, will prepare the financial statements, the management report and the proposed allocation of earnings, along with the consolidated financial statements and consolidated management report from the previous year.

2. The financial statements of the Company and the consolidated financial statements will be submitted for approval at the Shareholders' General Meeting.

3. The Shareholders' General Meeting will adopt a resolution regarding the allocation of earnings for the year in accordance with the approved financial statements.

4. If the Shareholders' General Meeting agrees to allocate a dividend, it will determine the time and method of payment. The determination of these conditions and any other which may be necessary or beneficial for the effectiveness of the resolution may be delegated in the Board of Directors.

5. The Shareholders' General Meeting can resolve for the dividend to be paid in kind, in full or in part, provided that: (a) the assets or securities being allocated are the same; (b) they are traded on an official market at the time the resolution comes into effect, or alternatively, the Company duly guarantees the obtainment of liquidity of the aforementioned assets or securities within a maximum of one year; and (c) they are not distributed for a lower amount than shown on the balance sheet of the Company.

6. The dividends shall be distributed to shareholders in proportion to the share capital they have paid.

TITLE VI. DISSOLUTION AND LIQUIDATION OF THE COMPANY

Article 52. Dissolution and liquidation

The dissolution and liquidation of the Company will be subject to the terms established by law.

TITLE VII. FINAL PROVISION

Article 53. Jurisdiction to settle disputes

For any dispute that may arise between the Company and its shareholders related to corporate affairs, both the Company and the shareholders are subject to Spanish legislation and expressly waive their own jurisdiction and agree to submit to the jurisdiction that corresponds to the Company's corporate head office, except when the law establishes another jurisdiction for specific cases.