

**Gestamp Funding Luxembourg S.A.***a finance subsidiary of Gestamp Automoción, S.A.***€500 million 5.875% Senior Secured Notes due 2020****\$350 million 5.625% Senior Secured Notes due 2020***guaranteed by***Gestamp Automoción, S.A.  
and certain of its Subsidiaries**

Gestamp Funding Luxembourg S.A. (the “Issuer”), a direct wholly owned finance subsidiary of Gestamp Automoción, S.A. (“Gestamp Automoción”) has issued €500 million 5.875% Senior Secured Notes due 2020 (the “Euro notes”) and \$350 million 5.625% Senior Secured Notes due 2020 (the “Dollar notes”) and, together with the Euro notes, the “notes”). Interest will be paid on the notes semi-annually on May 31 and November 30 of each year, commencing November 30, 2013. Each of the Euro notes and the Dollar notes are referred to herein as a “series of notes”.

The notes will mature on May 31, 2020. Prior to May 31, 2016, the Issuer may redeem the notes in whole or in part at any time by paying a “make whole” premium. The Issuer may redeem the notes in whole or in part at any time on or after May 31, 2016 at the redemption prices set forth in these listing particulars. In addition, prior to May 31, 2016, the Issuer may redeem at its option up to 35% of aggregate principal amount of each series of notes with the net cash proceeds from certain equity offerings at the redemption price set forth in these listing particulars, if at least 65% of the aggregate principal amount of each series of notes remains outstanding after the redemption. The Issuer may redeem all of the notes, at any time, at a price equal to their principal amount plus accrued and unpaid interest, if any, and additional amounts, if any, upon the occurrence of certain changes in applicable tax law.

The notes are senior obligations of the Issuer secured by a first-ranking charge over the shares of certain subsidiaries of Gestamp Automoción (the “Collateral”). The notes rank equally in right of payment with all of the Issuer’s existing and future senior debt and senior to any of its existing or future subordinated debt. Gestamp Automoción, and certain of its subsidiaries (with Gestamp Automoción, the “Guarantors”) have guaranteed the notes (the “Guarantees”). Local laws may limit your rights to enforce certain guarantees, and, in addition, your rights with respect to the notes and the Guarantees are subject to an intercreditor agreement entered into with, among others, lenders under our senior term facilities and revolving credit facility (the “Senior Facilities Agreement”) and creditors under certain of our Existing Debt Facilities (the “Intercreditor Agreement”). See “Annex A—Senior Facilities Agreement” for an execution copy of the Senior Facilities Agreement (excluding the schedules thereto) substantially in the form in which it was executed and “Annex B—Intercreditor Agreement” for an execution copy of the Intercreditor Agreement (excluding the schedules thereto) substantially in the form in which it was executed.

The Issuer is a direct wholly-owned finance subsidiary of Gestamp Automoción, and the Issuer’s only significant assets are funding loans to Gestamp Automoción equal to the aggregate principal amount of the notes issued pursuant to an indenture (the “Indenture”) dated as of the issue date of the notes (the “Issue Date”). If Gestamp Automoción undergoes a change of control or it sells certain of its assets, the Issuer may be required to offer to purchase the notes from you.

These listing particulars include information on the terms of the notes, including redemption and repurchase prices, covenants and transfer restrictions.

There is currently no public market for the notes. We have applied to have the notes admitted to the Official List of the Luxembourg Stock Exchange for trading on the Euro MTF Market (“Euro MTF”).

These listing particulars constitute a prospectus for the purposes of the Luxembourg law dated July 10, 2005 (as amended). These listing particulars may only be used for the purpose for which they have been published.

**Investing in the notes involves a high degree of risk. See “Risk Factors” beginning on page 20.**

**Issue price for the Euro notes: 100%****Issue price for the Dollar notes: 100%**

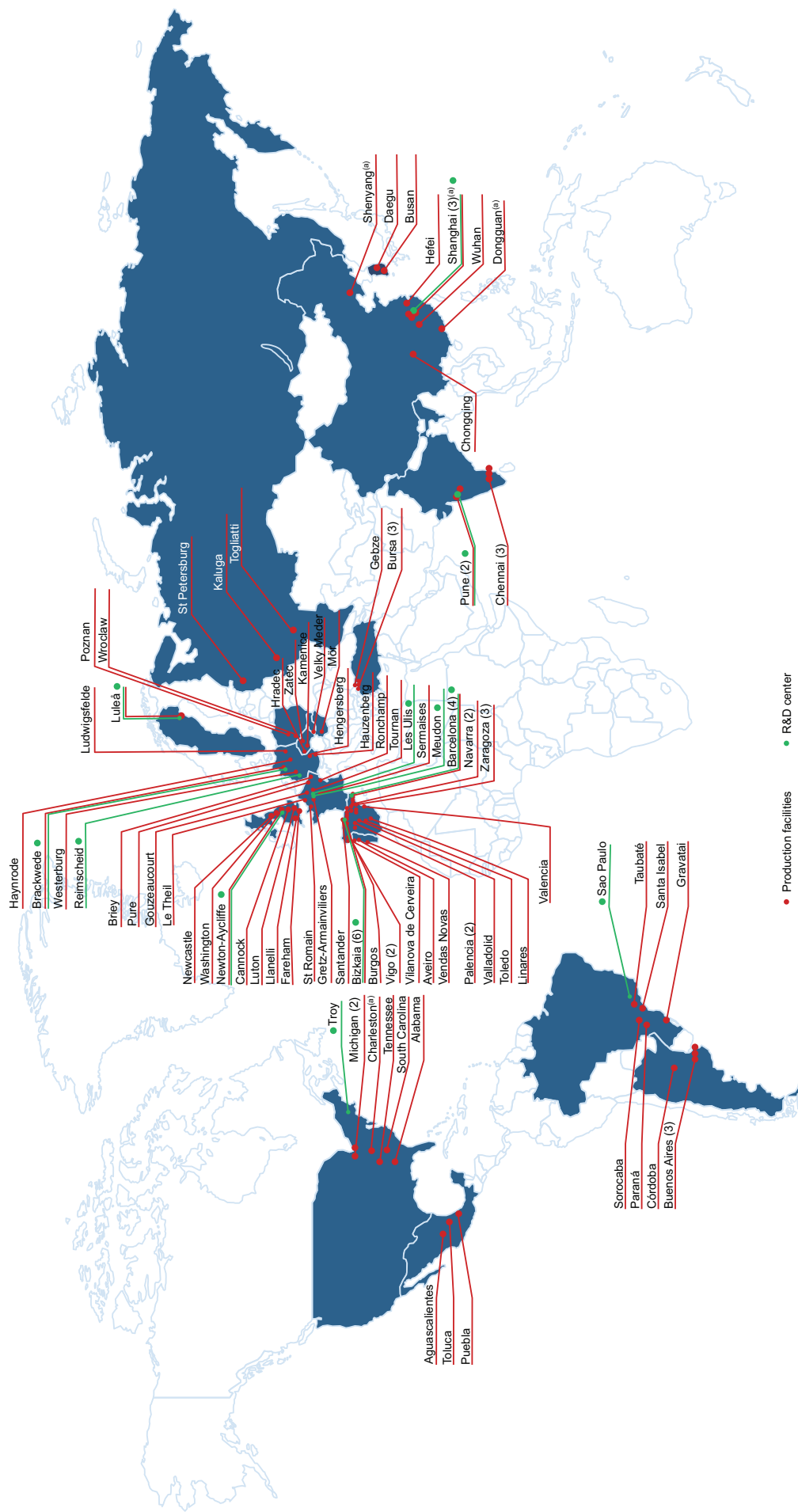
plus accrued interest, if any, from the Issue Date.

These listing particulars do not constitute an offer to sell, or the solicitation of an offer to buy, securities in any jurisdiction where such offer or solicitation is unlawful. The notes have not been and will not be registered under the US federal or state securities laws or the securities laws of any other jurisdiction and may not be offered or sold within the US or to, or for the account or benefit of, US persons (as defined in Regulation S under the US Securities Act of 1933 (“Regulation S”), as amended (the “Securities Act”)), except pursuant to an exemption from, or in a transaction not subject to, the registration requirements of the Securities Act. Accordingly, the Initial Purchasers named below are offering the notes only to “qualified institutional buyers” (“QIBs”), as defined in Rule 144A under the Securities Act (“Rule 144A”), in reliance on Rule 144A, and to persons outside the US in reliance on Regulation S. See “Notice to Investors” and “Transfer Restrictions” for further details about eligible offerees and resale restrictions.

The notes were delivered in book-entry form only, through Euroclear Bank SA/NV (“Euroclear”) and Clearstream Banking *société anonyme* (“Clearstream”) with respect to the Euro notes and through The Depository Trust Company (“DTC”) with respect to the Dollar notes, in each case on May 10, 2013.

*Joint Bookrunners***Deutsche Bank  
Commerzbank****BBVA  
Itaú BBA****Bankia****Barclays  
J.P. Morgan****BofA Merrill Lynch  
Santander****CaixaBank  
Société Générale***Co-Manager***Banco Sabadell**

June 26, 2013



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## NOTICE TO INVESTORS

THE NOTES HAVE NOT BEEN AND WILL NOT BE REGISTERED UNDER THE SECURITIES ACT OR ANY STATE SECURITIES LAWS AND, SUBJECT TO CERTAIN EXCEPTIONS, MAY NOT BE OFFERED OR SOLD IN THE US OR TO US PERSONS. SEE “PLAN OF DISTRIBUTION” AND “TRANSFER RESTRICTIONS”. INVESTORS SHOULD BE AWARE THAT THEY MAY BE REQUIRED TO BEAR THE FINANCIAL RISKS OF THIS INVESTMENT FOR AN INDEFINITE PERIOD OF TIME. PROSPECTIVE PURCHASERS ARE HEREBY NOTIFIED THAT THE SELLER OF ANY SECURITY MAY BE RELYING ON THE EXEMPTION FROM THE PROVISIONS OF SECTION 5 OF THE SECURITIES ACT PROVIDED BY RULE 144A.

No dealer, salesperson or other person has been authorized to give any information or to make any representation not contained in these listing particulars and, if given or made, any such information or representation must not be relied upon as having been authorized by the Issuer, any of its affiliates or the Initial Purchasers or their respective affiliates. These listing particulars do not constitute an offer of any securities other than those to which it relates or an offer to sell, or a solicitation of an offer to buy, to any person in any jurisdiction where such an offer or solicitation would be unlawful. Neither the delivery of these listing particulars nor any sale made under them shall, under any circumstances, create any implication that there has been no change in the affairs of the Issuer or of Gestamp Automoción since the date of these listing particulars or that the information contained in these listing particulars is correct as of any time subsequent to that date.

By receiving these listing particulars, investors acknowledge that they have had an opportunity to request for review, and have received, all additional information they deem necessary to verify the accuracy and completeness of the information contained in these listing particulars. Investors also acknowledge that they have not relied on the Initial Purchasers in connection with their investigation of the accuracy of this information or their decision whether to invest in the notes.

The contents of these listing particulars are not to be considered legal, business, financial, investment, tax or other advice. Prospective investors should consult their own counsel, accountants and other advisors as to legal, business, financial, investment, tax and other aspects of a purchase of the notes. In making an investment decision, investors must rely on their own examination of the Issuer and its affiliates, the terms of the offering of the notes and the merits and risks involved.

This offering is being made in reliance upon exemptions from registration under the Securities Act for an offer and sale of securities that does not involve a public offering. The notes are subject to restrictions on transferability and resale and may not be transferred or resold except as permitted under the Securities Act and applicable securities laws of any other jurisdiction pursuant to registration or exemption therefrom. If you purchase the notes, you will be deemed to have made certain acknowledgments, representations and warranties as detailed under “Transfer Restrictions”. The notes have not been and will not be registered with, recommended by or approved by the US Securities and Exchange Commission (the “SEC”) or any other US federal, state or foreign securities commission or regulatory authority, nor has the SEC or any such commission or regulatory authority reviewed or passed upon the accuracy or adequacy of these listing particulars. Any representation to the contrary is a criminal offense in the United States.

The Initial Purchasers and Deutsche Trustee Company Limited (the “Trustee”) make no representations or warranties, express or implied, as to the accuracy or completeness of the information contained in these listing particulars. Nothing contained in these listing particulars is, or shall be relied upon as, a promise or representation by the Initial Purchasers of the Trustee as to the past or future.

We have prepared these listing particulars solely for use in connection with the offer of the notes to QIBs under Rule 144A and to non-US persons (within the meaning of Regulation S) outside the United States under Regulation S.

The Issuer reserves the right to withdraw the offering of the notes at any time. The Issuer and the Initial Purchasers reserve the right to reject any offer to purchase the notes in whole or in part for any reason or for no reason and to allot to any prospective purchaser less than the full amount of the notes sought by such purchaser.

The laws of certain jurisdictions may restrict the distribution of these listing particulars and the offer and sale of the notes. Persons into whose possession these listing particulars or any of the notes come must inform themselves about, and observe, any such restrictions. None of the Issuer, the Initial Purchasers, the Trustee or their respective representatives are making any representation to any offeree or any purchaser

of the notes regarding the legality of any investment in the notes by such offeree or purchaser under applicable investment or similar laws or regulations. For a further description of certain restrictions on the offering and sale of the notes and the distribution of these listing particulars, see “Notice to Investors in the European Economic Area”, “Notice to Certain Other European Investors” and “Transfer Restrictions”.

To purchase the notes, investors must comply with all applicable laws and regulations in force in any jurisdiction in which investors purchase, offer or sell the notes or possess or distribute these listing particulars. Investors must also obtain any consent, approval or permission required by such jurisdiction for investors to purchase, offer or sell any of the notes under the laws and regulations in force in any jurisdiction to which investors are subject. None of the Issuer, its affiliates, the Trustee or the Initial Purchasers or their respective affiliates will have any responsibility therefor.

No action has been taken by the Initial Purchasers, the Issuer or any other person that would permit an offering of the notes or the circulation or distribution of these listing particulars or any offering material in relation to the Issuer or its affiliates or the notes in any country or jurisdiction where action for that purpose is required.

The notes will only be issued in fully registered form and, with respect to the Euro notes, in denominations of €100,000 and integral multiples of €1,000 in excess thereof and, with respect to the Dollar notes, in denominations of \$200,000 and integral multiples of \$1,000 in excess thereof. Notes sold to QIBs in reliance on Rule 144A will initially be represented by one or more global notes in registered form without interest coupons attached (the “Rule 144A Global Notes”). Notes sold to non-US persons outside the US in reliance on Regulation S will be represented by one or more global notes in registered form without interest coupons attached (the “Regulation S Global Notes” and, together with the Rule 144A Global Notes, the “Global Notes”). The Global Notes representing the Euro notes will be deposited, on the Issue Date, with, or on behalf of, a common depository for the accounts of the Euroclear and Clearstream and registered in the name of the nominee of the common depository. The Global Notes representing the Dollar notes will be deposited with a custodian for, and registered in the name of, Cede & Co., as nominee for DTC. Prior to the date that is 40 days after the later of the commencement of the offering or the Issue Date, beneficial interests in a Regulation S Global Note may not be able to be offered, sold or delivered to, or for the account or benefit of, US persons pursuant to restrictions under the US federal securities laws. See “Book-Entry, Delivery and Form”.

We accept responsibility for the information contained in these listing particulars. To the best of our knowledge and belief (having taken reasonable care to ensure that such is the case), the information contained in these listing particulars is in accordance with the facts in all material respects and does not omit anything likely to affect the import of such information in any material respect. We accept responsibility accordingly.

IN CONNECTION WITH THIS ISSUE, DEUTSCHE BANK AG, LONDON BRANCH (THE “STABILIZING MANAGER”) (OR PERSONS ACTING ON BEHALF OF THE STABILIZING MANAGER) MAY OVER-ALLOT OR EFFECT TRANSACTIONS WITH A VIEW TO SUPPORTING THE MARKET PRICE OF THE NOTES AT A LEVEL HIGHER THAN THAT WHICH MIGHT OTHERWISE PREVAIL FOR A LIMITED PERIOD AFTER THE ISSUE DATE. HOWEVER, THERE IS NO OBLIGATION ON THE STABILIZING MANAGER (OR PERSONS ACTING ON BEHALF OF THE STABILIZING MANAGER) TO UNDERTAKE SUCH ACTION. SUCH STABILIZING ACTION MAY BEGIN ON OR AFTER THE DATE ON WHICH ADEQUATE PUBLIC DISCLOSURE OF THE TERMS OF THE OFFER OF THE NOTES TAKES PLACE AND, IF BEGUN, MAY BE DISCONTINUED AT ANY TIME BUT MUST END NO LATER THAN THE EARLIER OF 30 DAYS AFTER THE ISSUE DATE OF THE NOTES AND 60 DAYS AFTER THE DATE OF THE ALLOTMENT OF THE NOTES. ANY STABILIZING ACTION OR OVER ALLOTMENT MUST BE CONDUCTED BY THE STABILIZING MANAGER (OR PERSONS ACTING ON BEHALF OF THE STABILIZING MANAGER) IN ACCORDANCE WITH ALL APPLICABLE LAWS AND REGULATIONS. FOR A DESCRIPTION OF THESE ACTIVITIES, SEE “PLAN OF DISTRIBUTION”.

#### **NOTICE TO NEW HAMPSHIRE RESIDENTS**

**NEITHER THE FACT THAT A REGISTRATION STATEMENT OR AN APPLICATION FOR A LICENSE HAS BEEN FILED UNDER CHAPTER 421-B OF THE NEW HAMPSHIRE REVISED STATUTES, ANNOTATED, 1955, AS AMENDED, (“RSA**



**421-B”) WITH THE STATE OF NEW HAMPSHIRE NOR THE FACT THAT A SECURITY IS EFFECTIVELY REGISTERED OR A PERSON IS LICENSED IN THE STATE OF NEW HAMPSHIRE CONSTITUTES A FINDING BY THE SECRETARY OF STATE OF NEW HAMPSHIRE THAT ANY DOCUMENT FILED UNDER RSA 421-B IS TRUE, COMPLETE AND NOT MISLEADING. NEITHER ANY SUCH FACT NOR THE FACT THAT AN EXEMPTION OR EXCEPTION IS AVAILABLE FOR A SECURITY OR A TRANSACTION MEANS THAT THE SECRETARY OF STATE OF NEW HAMPSHIRE HAS PASSED IN ANY WAY UPON THE MERITS OR QUALIFICATION OF, OR RECOMMENDED OR GIVEN APPROVAL TO, ANY PERSON, SECURITY OR TRANSACTION. IT IS UNLAWFUL TO MAKE OR CAUSE TO BE MADE TO ANY PROSPECTIVE PURCHASER, CUSTOMER OR CLIENT ANY REPRESENTATION INCONSISTENT WITH THE PROVISIONS OF THIS PARAGRAPH.**

#### **NOTICE TO INVESTORS IN THE EUROPEAN ECONOMIC AREA**

These listing particulars have been prepared on the basis that all offers of the notes will be made pursuant to an exemption under Article 3 of Directive 2003/71/EC (the “Prospectus Directive”, as implemented in Member States of the European Economic Area (the “EEA”) and any amendments thereto, including the 2010 Prospectus Directive Amending Directive, to the extent implemented in the Relevant Member State), from the requirement to produce and publish a prospectus for offers of the notes. Accordingly, any person making or intending to make any offer within the EEA of the notes should only do so in circumstances in which no obligations arise for us or any of the Initial Purchasers to produce a prospectus for such offer. Neither we nor the Initial Purchasers have authorized, nor do we or they authorize, the making of any offer of notes through any financial intermediary, other than offers made by the Initial Purchasers, which constitute a final placement of the notes contemplated in these listing particulars.

In relation to each Member State of the EEA that has implemented the Prospectus Directive (each, a “Relevant Member State”), with effect from and including the date on which the Prospectus Directive is implemented in that Relevant Member State (the “Relevant Implementation Date”), an offer is not being made and will not be made to the public of any notes which are the subject of the Offering contemplated by these listing particulars in that Relevant Member State, other than:

- (i) to any legal entity which is a “qualified investor” as defined in the Prospectus Directive;
- (ii) to fewer than 100 or, if the Relevant Member State has implemented the relevant provision of the 2010 Prospectus Directive Amending Directive, 150, natural or legal persons (other than “qualified investors” as defined in the Prospectus Directive), as permitted under the Prospectus Directive, subject to obtaining the prior consent of the Initial Purchasers nominated by the Issuer for any such offer; or
- (iii) in any other circumstances falling within Article 3(s) of the Prospectus Directive, provided that no such offer of the notes shall require us or the Initial Purchasers to publish a prospectus pursuant to Article 3 of the Prospectus Directive.

For the purposes of this provision, the expression “offer of the notes to the public” in relation to the notes in any Relevant Member State means the communication in any form and by any means of sufficient information on the terms of the offer and the notes to be offered so as to enable an investor to decide to purchase or subscribe the notes, as the same may be varied in that Relevant Member State by any measure implementing the Prospectus Directive in that Relevant Member State, and includes any relevant implemented measure in each Relevant Member State, and the expression 2010 Prospectus Directive Amending Directive means Directive 2010/73/EU.

#### **NOTICE TO CERTAIN OTHER EUROPEAN INVESTORS**

##### ***Spain***

The notes may not be sold, offered or distributed to persons in Spain, except in circumstances which do not constitute a public offer (*oferta pública*) of securities in Spain, within the meaning of the Spanish Securities Market Law. Neither the notes, this offering nor these listing particulars and its contents have been approved or registered with the Spanish Securities and Exchange Commission (*Comisión Nacional del Mercado de Valores*), and therefore it is not intended for the public offering of notes in Spain.

### **United Kingdom**

These listing particulars are directed solely at:

- (i) persons who are outside the United Kingdom;
- (ii) persons who have professional experience in matters relating to investments falling within Article 19(5) of the Financial Services and Markets Act 2000 (Financial Promotion) Order 2005, as amended (the “Order”);
- (iii) high net worth entities, and other persons to whom it may lawfully be communicated, falling within Article 49(2)(a) to (d) of the Order; and
- (iv) persons to whom an invitation or inducement to engage in investment activity (within the meaning of section 21 of the Financial Services and Markets Act 2000) in connection with the issue or sale of any notes may otherwise lawfully be communicated or caused to be communicated,

(all such persons in (i), (ii), (iii) and (iv) above together being referred to as “relevant persons”).

Any investment or investment activity to which these listing particulars relates will only be available to and will only be engaged with, relevant persons. Any person who is not a relevant person should not act or rely on these listing particulars.

### **France**

These listing particulars have not been prepared in the context of a public offering of financial securities in France within the meaning of Article L.411-1 of the French *Code monétaire et financier* and Title I of Book II of the *Règlement Général of the Autorité des marchés financiers* (the “AMF”) and therefore have not been and will not be submitted for clearance to the AMF. Consequently, the notes are not being offered, directly or indirectly, to the public in France and these listing particulars have not been and will not be released, issued or distributed or caused to be released, issued or distributed to the public in France. Offers, sales and distributions of the notes in France will be made only to qualified investors (*investisseurs qualifiés*) acting for their own accounts or to a closed circle of investors (*cercle restreint d’investisseurs*) acting for their own accounts or to providers of the investment service of portfolio management for the account of third parties (*personnes fournissant le service d’investissement de gestion de portefeuille pour le compte de tiers*) as defined in, and in accordance with, Articles L.411-2 and D.411-1 to D.411-4, D.744-1, D.754-1 and D.764-1 of the French *Code monétaire et financier*. The notes may only be offered, directly or indirectly, to the public in France, in compliance with Articles L.411-1, L.411-2, L.412-1 and L.621-8 through L.621-8-3 of the French *Code monétaire et financier*.

### **Germany**

The offering of the notes is not a public offering in the Federal Republic of Germany. The notes may be offered and sold in the Federal Republic of Germany only in accordance with the provisions of the Securities Prospectus Act of the Federal Republic of Germany (*Wertpapierprospektgesetz*) (the “German Securities Prospectus Act”) and any other applicable German law. Consequently, in Germany the notes will only be available to, and these listing particulars and any other offering material in relation to the notes is directed only at, persons who are qualified investors (*qualifizierte Anleger*) within the meaning of Section 2 No. 6 of the German Securities Prospectus Act. Any resale of the notes in Germany may only be made in accordance with the German Securities Prospectus Act and other applicable laws. EGSA has not, and does not intend to, file a securities prospectus with the German Federal Financial Supervisory Authority (*Bundesanstalt für Finanzdienstleistungsaufsicht*) (“BaFin”) or obtain a notification to BaFin from another competent authority of a Member State of the European Economic Area, with which a securities prospectus may have been filed, pursuant to Section 17 Para. 3 of the German Securities Prospectus Act.

### **Italy**

These listing particulars have not been, nor will be, published in the Republic of Italy (“Italy”) in connection with the offering of the notes and such offering of the notes has not been, nor will be, registered with the *Commissione Nazionale per le Società e la Borsa* (“Consob”) in Italy pursuant to Legislative Decree no. 58 of February 24, 1998 as amended (the “Financial Services Act”) and to Consob Regulation no. 11971 of May 14, 1999 as amended (the “Issuers Regulation”) and, accordingly, no notes may, and will, be offered, sold, transferred or delivered, directly or indirectly in an offer to the public in

Italy, nor may, or will, copies of these listing particulars or of any other document relating to the notes be distributed in Italy, except:

- (i) to qualified investors (*operatori qualificati*), as defined in Article 34-ter, paragraph 1(b), of Issuers Regulation; or
- (ii) in other circumstances which are exempted from the rules governing offers to the public pursuant to, and in accordance with, the conditions set out in Article 100 of the Financial Services Act and its implementing regulations including Article 34-ter, first paragraph, of Issuers Regulation.

### ***Grand Duchy of Luxembourg***

The terms and conditions relating to these listing particulars have not been approved by and will not be submitted for approval to the Luxembourg Financial Services Authority (Commission de Surveillance du Secteur Financier) for the purposes of public offering or sale in the Grand Duchy of Luxembourg. Accordingly, the notes may not be offered or sold to the public in the Grand Duchy of Luxembourg, directly or indirectly, and neither these listing particulars nor any other circular, prospectus, form of application, advertisement, communication or other material may be distributed, or otherwise made available in or from, or published in, the Grand Duchy of Luxembourg except for the sole purpose of the admission of the notes to the Official List of the Luxembourg Stock Exchange and admission of the notes for trading on the Euro MTF and except in circumstances which do not constitute a public offer of securities to the public.

### ***The Netherlands***

The notes which are the subject of the offering contemplated by these listing particulars, have not, may not and will not be offered to the public in the Netherlands, other than:

- (i) exclusively to qualified investors (*gekwalficeerde beleggers*) as defined in section 1:1 of the Dutch Act on the financial supervision (*Wet op het financieel toezicht* or the “AFS”); or
- (ii) in any other circumstances falling with an exemption of the obligation pursuant to section 5:2 AFS to publish a prospectus in respect of an offer of the notes, on the basis of section 3:5(2) of the AFS or otherwise.

Each purchaser of notes described in these listing particulars located in the Netherlands will be deemed to have represented, acknowledged and agreed that it is a qualified investor (*gekwalficeerde beleggers*) as defined in section 1:1 of the AFS.

For the purposes of this provision, the expression an “offer of notes to the public” in relation to any notes in the Netherlands means to make a sufficiently specific offer addressed to more than one person as referred to in section 217(1) of Book 6 of the Dutch Civil Code to conclude a contract to purchase or otherwise acquire the notes, or to issue an invitation to make an offer of the notes.

## **USE OF TERMS AND CONVENTIONS**

Unless otherwise specified or the context requires otherwise in these listing particulars:

- references to “Banc of America” are to Banc of America Securities Limited;
- references to the “Collateral” are to the first-ranking share charges securing the notes (See “Summary—Summary corporate and financing structure”);
- references to the “Dollar notes” are to the \$350 million 5.625% Senior Secured Notes due 2020 offered hereunder;
- references to the “Dollar note Initial Purchasers” are to Deutsche Bank Securities Inc., Banco Bilbao Vizcaya Argentaria, S.A., Banco de Sabadell, S.A., Banco Santander, S.A., Bankia, S.A., Barclays Bank PLC, CaixaBank S.A., Commerz Markets LLC, Itau BBA International Limited, J.P. Morgan Securities LLC, Merrill Lynch, Pierce, Fenner & Smith Incorporated and Société Générale;
- references to “EBRD” are to the European Bank for Reconstruction and Development;
- references to “EIB” are to the European Investment Bank;
- references to the “EU” are to the European Union;



- references to “EUR”, “euro(s)” and “€” are to the currency of those countries in the European Union that form part of the common currency of the euro;
- references to the “Euro notes” are to the €500 million 5.875% Senior Secured Notes due 2020 offered hereunder;
- references to the “Euro note Initial Purchasers” are to Deutsche Bank AG, London Branch, Banco Bilbao Vizcaya Argentaria, S.A., Banco de Sabadell, S.A., Banco Santander, S.A., Bankia, S.A., Barclays Bank PLC, CaixaBank S.A., Commerzbank Aktiengesellschaft, Itau BBA International Limited, J.P. Morgan Securities PLC, Merrill Lynch International and Société Générale;
- references to “Existing Debt Facilities” are to the Banc of America loan, EIB loan, the ICO loan, the IKB loans, the Société Générale Backup Facility and our other interest bearing loans and borrowings that will remain in place after giving effect to this offering (See “Description of Other Indebtedness—Existing Debt Facilities”);
- references to “GBP”, “pound(s)” and “£” are to the currency of the United Kingdom;
- references to “Gestamp”, “Gestamp Automoción”, “Parent Guarantor”, “we”, “us” and “our” are to Gestamp Automoción, S.A. together with its consolidated subsidiaries;
- references to “Gestamp Funding Luxembourg S.A.” and the “Issuer” are to Gestamp Funding Luxembourg S.A., the issuer of the notes;
- references to “growth markets” and “growth economies” are to economies where we are experiencing increasing demand for our products and which include the US, Mexico, Brazil, Turkey, Russia, China, India and Thailand;
- references to the “Guarantees” are to the unconditional guarantees of the notes to be granted by Gestamp Automoción and certain of its subsidiaries, more specifically set out in “Summary—Summary corporate and financing structure”;
- references to the “Guarantors” are to the Parent Guarantor and to the subsidiaries of Gestamp Automoción which will unconditionally guarantee the notes (See “Summary—The Offering—Guarantors”);
- references to “ICO” are to Instituto de Crédito Oficial;
- references to “IFRS” are to the International Financial Reporting Standards promulgated by the International Accounting Standards Board and as adopted by the European Union;
- references to “IKB” are to IKB Deutsche Industriebank AG;
- references to the “Indenture” are to the indenture governing the notes and dated the Issue Date;
- references to the “Initial Purchasers” are to the Dollar note Initial Purchasers and Euro note Initial Purchasers collectively;
- references to the “notes” are to the Euro notes and the Dollar notes;
- references to “Senior Facilities” are to the senior term facilities and the revolving credit facility made available under the Senior Facilities Agreement;
- references to the “Senior Facilities Agreement” are to the senior term and revolving credit facilities agreement dated April 19, 2013 entered into between, among others, Gestamp Automoción as the company and the Issuer, each as an original borrower, various subsidiaries of Gestamp Automoción (including the Issuer) as original guarantors, the original lenders listed therein, Deutsche Bank AG, London Branch as agent and Deutsche Trustee Company Limited as security agent, a copy of which is attached as Annex A to these listing particulars;
- references to “Société Générale” are to Société Générale, S.A.;
- references to the “UK” are to the United Kingdom;
- references to “US”, “U.S.” and “United States” are to the United States of America; and
- references to “US\$”, “dollar(s)” and “\$” are to the currency of the United States of America.

Please also refer to page 185 for a “Glossary of Technical Terms” used in these listing particulars.

## **FORWARD-LOOKING STATEMENTS**

Except for historical information contained herein, statements contained in these listing particulars may constitute “forward looking statements” within the meaning of the US Private Securities Litigation Reform Act of 1995.

The words “believe”, “anticipate”, “expect”, “predict”, “continue”, “intend”, “estimate”, “plan”, “aim”, “assume”, “positioned”, “will”, “may”, “should”, “shall”, “risk”, “probable” and other similar expressions, which are predictions or indications of future events and future trends, which do not relate to historical matters, identify forward-looking statements. These listing particulars include forward-looking statements relating to our potential exposure to various types of market risks, such as credit risk, interest rate risk, exchange rate risk and commodity price risk. You should not rely on forward-looking statements because they involve known and unknown risks, uncertainties and other factors which are in some cases beyond our control and may cause our actual results, performance or achievements to differ materially from anticipated future results, performance or achievements expressed or implied by such forward-looking statements (and from past results, performance or achievements). Certain factors that may cause such differences include but are not limited to:

- continued or increased weakness in the global economy, including the European sovereign debt crisis and restricted access to financing;
- the failure of one or more major financial institutions;
- increased or more pronounced cyclicity in the automobile industry;
- the loss of customers and/or the inability to realise revenues;
- disruptions to the automotive supply chain and volatility in raw material prices;
- increased competition and/or shifts in demand for certain vehicles and products;
- our inability to offset price concessions or additional costs;
- the costs in relation to construction, maintenance and closing of plants, including mechanical failures, equipment shutdowns and interruptions to the supply of utilities;
- integration and consolidation risks associated with acquisitions and difficulties in connection with program launches;
- risks associated with our joint ventures, certain of which we do not control;
- our international operations, including in relation to compliance with anti-corruption laws, regulations and economic sanctions programs;
- foreign exchange rate fluctuations and risks associated with tax liability in the jurisdictions in which we operate;
- loss of key executives, availability of labor and workforce utilization efficiency;
- legal, regulatory, product liability and/or health and safety issues; and
- other risks and uncertainties inherent in our business and the world economy.

For a more detailed discussion of these factors, see “Risk Factors”, “Business” and “Operating and Financial Review and Prospects” included elsewhere in these listing particulars. You are cautioned not to place undue reliance on these forward-looking statements. These forward-looking statements are made as of the date of June 26, 2013 and are not intended to give any assurance as to future results. We undertake no obligation to, and do not intend to, publicly update or revise any of these forward-looking statements, whether to reflect new information or future events or circumstances or otherwise.

## **PRESENTATION OF FINANCIAL AND OTHER DATA**

### **Financial information and operational data**

These listing particulars include our audited consolidated historical financial statements as of and for the years ended December 31, 2012, 2011 and 2010. In addition, we have also presented certain summary historical financial information for the years ended December 31, 2009 and 2008, which have been derived from our audited consolidated financial statements as of and for the years ended December 31, 2009 and 2008. Other financial data is included which is derived from our accounting records. We prepare our

financial statements in euro. Unless otherwise indicated, all financial information in these listing particulars has been prepared in accordance with IFRS applicable at the relevant date. IFRS differs in certain significant respects from generally accepted accounting principles in the US.

See “Independent Auditors” for a description of the independent auditors’ report dated April 8, 2013 on our consolidated financial statements as of and for the years ended December 31, 2012, 2011, and 2010, which have been audited by Ernst & Young, S.L., independent auditors, as stated in their unqualified reports appearing herein on pages F-1 to F-132 of these listing particulars.

We have presented certain information in these listing particulars that are non-IFRS measures. As used in these listing particulars, this information includes “EBITDA”, which represents operating profit before amortization, impairment and depreciation. These listing particulars also contain other measures and ratios such as: EBITDA margin; capital expenditures, net proceeds using in (from) acquisitions and dispositions, cash, cash equivalent; and current financial assets; total financial debt; net financial debt; net financial expenses; and leverage and coverage ratios. We present these non-IFRS measures because we believe that they and similar measures are widely used by certain investors, securities analysts and other interested parties as supplemental measures of performance and liquidity.

In particular, we believe that EBITDA is meaningful for investors because it provides an analysis of our operating results, profitability and ability to service debt and because EBITDA is used by our chief operating decision makers to track our business evolution, establish operational and strategic targets and make important business decisions. To facilitate the analysis of our operations, this indicator excludes amortization, impairment and depreciation expenses from operating profit in order to eliminate the impact of general long-term capital investment. Although we are presenting this measure to enhance the understanding of our historical operating performance, EBITDA should not be considered an alternative to operating profit as an indicator of our operating performance, or an alternative to cash flows from operating activities as a measure of our liquidity. EBITDA as used in these listing particulars may not be calculated in the same manner as “Consolidated EBITDA”, which is calculated pursuant to the Indenture governing the notes as described under “Description of the Notes”, or for the purposes of any of our other indebtedness.

The information presented by EBITDA, other adjusted financial information and other pro forma financial data presented in these listing particulars is unaudited and has not been prepared in accordance with IFRS or any other accounting standards. We present these non-IFRS measures because we believe that they and similar measures are widely used by investors, securities analysts and other interested parties as supplemental measures of performance and liquidity. In addition, the presentation of these measures is not intended to and does not comply with the reporting requirements of the SEC; compliance with its requirements would require us to make changes to the presentation of this information.

You should not consider EBITDA or any other non-IFRS or financial measures presented herein, as alternatives to measures of financial performance determined in accordance with generally accepted accounting principles, such as net income, as a measure of operating results or cash flow as a measure of liquidity. EBITDA is not a measure of financial performance under IFRS. Our computation of EBITDA and other non-IFRS financial measures may not be comparable to similarly titled measures of other companies.

Rounding adjustments have been made in calculating some of the financial information included in these listing particulars. Figures shown as totals in some tables and elsewhere may not be exact arithmetic aggregations of the figures that precede them.

### **Industry data**

In these listing particulars, we rely on and refer to information regarding our business and the market in which we operate and compete. We have obtained this information from various third party sources, including providers of industry data, discussions with our customers and our own internal estimates. While we believe that industry publications, surveys and forecasts are reliable and we accept responsibility for the correct extraction or reproduction of the data, they have not been independently verified, and neither we nor the Initial Purchasers make any representation or warranty as to the accuracy or completeness of such information set forth in these listing particulars.

Additionally, industry publications, surveys and forecasts generally state that the information contained therein has been obtained from sources believed to be reliable, but that the accuracy and completeness of such information is not guaranteed and in some instances state that they do not assume liability for such

information. We cannot assure you of the accuracy and completeness of such information as we have not independently verified such information.

In certain cases we have not been able to refer to market information more recent than 2011, as any such more recent market information was not available to us. In calculating the relative position of the original equipment manufacturers by production volume, the production of non-Chinese brands in China has been attributed entirely to the original equipment manufacturers who own such brands and has not been separately attributed to the joint ventures manufacturing such vehicles or to other members of such joint ventures.

In addition, in many cases, we have made statements in these listing particulars regarding our industry and our position in the industry based solely on our experience, our internal studies and estimates, and our own investigation of market conditions.

We cannot assure you that any of these assumptions are accurate or correctly reflect our position in the industry, and none of our internal surveys or information has been verified by any independent sources. Neither we nor the Initial Purchasers make any representation or warranty as to the accuracy or completeness of this information. Some of the surveys or sources were compiled by our advisors and are not publicly available and accordingly may not be considered to be as independent as other third party sources.

### EXCHANGE RATE AND CURRENCY INFORMATION

The following tables set forth, for the periods set forth below, the high, low, average and period end Bloomberg Composite Rate expressed as U.S. dollars per €1.00. The Bloomberg Composite Rate is a “best market” calculation, in which, at any point in time, the bid rate is equal to the highest bid rate of all contributing bank indications and the ask rate is set to the lowest ask rate offered by these banks. The Bloomberg Composite Rate is a mid-value rate between the applied highest bid rate and the lowest ask rate. The rates may differ from the actual rates used in the preparation of the consolidated financial statements and other financial information appearing in these listing particulars. We make no representation that the U.S. dollar amounts referred to below could have been or could, in the future, be converted into euro at any particular rate, if at all.

The average rate for a year means the average of the Bloomberg Composite Rates on the last day of each month during a year. The average rate for a month or for any shorter period, means the average of the daily Bloomberg Composite Rates during that month, or shorter period, as the case may be.

The Bloomberg Composite Rate of the Euro on April 30, 2013 was \$1.3168 per €1.00.

	U.S. dollars per €1.00			
	High	Low	Average <sup>(1)</sup>	Period end
2010 . . . . .	1.4513	1.1923	1.3266	1.3387
2011 . . . . .	1.4830	1.2907	1.3926	1.2959
2012 . . . . .	1.3458	1.2061	1.2860	1.3192
	High	Low	Average <sup>(2)</sup>	Period end
November 2012 . . . . .	1.2986	1.2704	1.2838	1.2986
December 2012 . . . . .	1.3244	1.2928	1.3127	1.3192
January 2013 . . . . .	1.3577	1.3049	1.3302	1.3577
February 2013 . . . . .	1.3641	1.3056	1.3339	1.3056
March 2013 . . . . .	1.3107	1.2780	1.2957	1.2820
April 2013 . . . . .	1.3177	1.2820	1.3025	1.3168

(1) The average of the exchange rates on the last business day of each month during the relevant period.

(2) The average of the exchange rates on each business day during the relevant period.

## SUMMARY

*This summary highlights selected information contained in these listing particulars. In these listing particulars, we generally use “we”, “our” and other similar terms to refer to Gestamp Automoción, S.A. and its consolidated subsidiaries. This summary should be read as an introduction to these listing particulars. It does not purport to be complete and is qualified in its entirety by, and should be read in conjunction with, the remainder of these listing particulars. Any decision by an investor to invest in the notes should be based on a thorough consideration of these listing particulars in its entirety, including “Risk Factors”, “Operating and Financial Review and Prospects” and our financial statements and related notes and information contained elsewhere in these listing particulars as well as the information referred to under “Where You Can Find More Information”.*

### Our Company

We are a leading global automotive supplier active in the design, development and manufacture of metal components and assemblies for sale to original equipment manufacturers (“OEMs”), primarily for use in the production of light vehicles. We have an extensive global footprint of 94 production facilities in 19 countries over four continents with four additional plants under construction as of December 31, 2012. We supply our products globally to all of the 12 largest OEMs by production volume. Our extensive geographical and customer diversification allows us to take advantage of global growth opportunities and has mitigated the impact of regional production fluctuations on our business during economic downturns.

We offer our OEM customers a diverse product portfolio, supplying body-in-white (“Body-in-White”) and chassis (“Chassis”) structures and complex assemblies, opening systems and mechanisms (“Mechanisms”), as well as tooling and dies and other related services.

- *Body-in-White:* Our Body-in-White product portfolio includes large component parts and assemblies, such as hoods, roofs, doors, fenders and other high quality “Class A” surfaces and assemblies, which are used to create the exterior skin of an automobile. This product portfolio also includes structural and other crash-relevant products, such as floors, pillars, rails and wheel arches, which together with the exterior skin component parts and assemblies form the essential upper and under body (platform) structures of an automobile.
- *Chassis:* Our Chassis product portfolio consists of systems, frames and related parts, such as front and rear axles and links, control arms and integrated links, which link the body and the powertrain of an automobile and carry the load of the vehicle.
- *Mechanisms:* Our Mechanisms product portfolio consists of mechanical components such as hinges for doors, hoods, and trunk lids, door checks and door hinges with integrated door checks that join the automobile’s body with the moving parts and that enable the user to open and shut the automobile’s front, side and rear doors and lift-gates. Mechanisms also include powered systems that allow automobile doors to open and close electrically and by remote activation.
- *Other products (tooling):* We have extensive in-house capabilities in the design, engineering, manufacturing and servicing of dies and tools in support of our customers and in-house press manufacturing.

We believe that we are the number 1 supplier of Body-in-White and Chassis products globally by combined revenue in 2011 as compared to the combined revenue of our two closest competitors for their Body-in-White and Chassis products in 2011. In Mechanisms products, we believe that we are the clear market leader among individual suppliers in Western and Eastern Europe combined, and in South America, with estimated regional market shares of approximately 50% and 40%, respectively, by revenue in 2011.

We are one of the very few truly global suppliers to OEMs in our product portfolio, which sets us apart from many of our competitors in the industry. We have long-standing and entrenched relationships with our largest OEM customers and, as a result, have been able to proactively manage our business to meet the developing global trends in the industry and the resulting changes in the requirements of the OEMs that we supply.

In 2012, our revenue was €5,757.3 million and our EBITDA was €620.1 million. During the same period, we derived revenues of €4,748.3 million from our Body-in-White and Chassis sales, representing approximately 82.5% of our total revenue and revenues of €682.3 million from our Mechanisms sales, representing approximately 11.9% of our total revenue.



We believe that our historical and continuing financial and operational success and stability have been, and continue to be, driven by our strategic, customer-focused geographical expansion and diversified revenue streams, as well as our manufacturing, process, design and technological expertise. We believe that these factors have allowed us to achieve our position as a leading global supplier in the automotive industry, and one of strategic importance to many of the largest OEMs globally.

## **Our Market**

The automotive industry designs, develops, manufactures, markets, sells and services motor vehicles which are classified into light vehicles and heavy commercial vehicles. The automotive production value chain is split between OEMs such as Volkswagen AG (“Volkswagen”), the Renault-Nissan Alliance (“Renault-Nissan”), Bayerische Motoren Werke AG (“BMW”), General Motors Company (“General Motors”) and Daimler AG (“Daimler”), and automotive suppliers like us. Automotive suppliers are then further categorized into three different tiers. Tier 1 suppliers such as us sell their products directly to OEMs. Typically these products are large modules or systems which integrate components, sometimes sourced from Tier 2 automotive suppliers. Tier 2 suppliers in turn typically integrate products from a further layer of suppliers referred to as Tier 3 suppliers.

As the automotive industry has evolved, global trends have developed across the industry that have been driven by a combination of financial, legal and regulatory requirements and the increasing importance of growth economies relative to more traditional mature economies. In the context of recent and expected trends, we consider North America currently to be among our growth markets, in addition to markets in developing countries.

*Weight and emissions reduction; Safety:* The OEMs that we supply, and automobile manufacturers generally, are increasingly focused on weight and emissions reduction in order to meet evolving legal, regulatory and industry-standard requirements in the markets in which they operate, as well as on the safety of passengers, other road users and pedestrians. The evolution of the regulatory environment is complex and has required automotive suppliers such as ourselves to focus on the design and development of technologies to address the various regulations and to differentiate us from our competitors.

*Growth economies:* While vehicle production demands have fluctuated across the global economy in recent years, particularly at the height of the global financial crisis in 2008 and 2009, on a normalized level the demand in growth economies has generally continued to increase. Industry sources forecast that in the years to 2020 there will be a higher compound annual growth rate (“CAGR”) of sales in Brazil, Russia, Indian and China and in other growth economies than that experienced in more mature economies, such as those of Western Europe. In response to this, OEMs continue to develop their presence in these markets, resulting in an increased need for OEMs to establish supplier networks beyond their home markets. In certain of these markets, such as China, there is already significant demand for new, premium brand vehicle models. Nevertheless, vehicle demand in these growth economies is predominantly for less advanced models with lower entry-level price points. The evolution of volume demand in these markets is in tandem with an evolution of regulatory and industry standards modeled after those set earlier by more mature economies. This trend not only offers automobile suppliers such as ourselves an opportunity to expand our business with our customers in these growth markets, but it also is an indicator of the high predominance of steel rather than other more expensive materials in Body-in-White, Chassis and Mechanisms components in the industry for the foreseeable future.

*Common platforms:* OEMs are increasingly designing vehicle models built on common but variable platforms which can be produced in high volumes. For example, Volkswagen MQB A/B platform is made for 29 different automobile models including Golf, Passat, Jetta, Audi A3 and Seat Leon, is made in 15 different countries and is expected to reach peak annual production of 5.4 million in 2020. The Renault-Nissan CMF1 platform is made for 20 different automobile models including Megane, Laguna, X-Trail and Qashqai, is made in 17 different countries and is expected to reach peak annual production of 1.7 million in 2020. The use of common platforms allows OEMs to increase economies of scale across the value chain, differentiate their products from those of their competitors, to expand the number of product segments in which they compete, extend the life of existing automobile platforms and remain responsive to changing lifestyle trends and customer tastes. This trend towards common platforms provides automotive suppliers such as us increased opportunities to supply larger volumes of products and also to benefit from economies of scale.

**Consolidation of suppliers:** In order to take advantage of the operational economies of scale across the value chain, OEMs are encouraging consolidation of their supplier-base with an increased focus on large, technically and financially strong global suppliers capable of producing consistent and high-quality products across geographies. The OEMs we supply use a number of factors to determine their suppliers including, among other things, quality, service (including location, service interruptions and on-time delivery), in-house research and development (“R&D”) and technological capabilities, overall track record and quality of relationship with the OEM, production capacity, financial stability and price. In recent years, we have noticed that development expertise, an extensive geographical footprint, consistent and high quality production capability and diverse ancillary competencies tend to offset price-sensitivities among OEMs who appreciate the added-value inherent in these other factors.

**Outsourcing:** As OEMs increasingly focus their resources on automobile assembly, they are either maintaining or increasing the levels of production outsourcing to suppliers such as ourselves. As they grow outside of their home markets, they are more inclined to turn to external suppliers for content they might have done in-house. Suppliers such as ourselves can benefit from economies of scale derived from serving various customers, that our OEM customers find more difficult to achieve in our product segment when manufacturing abroad. In addition, specialization has led to advances achieved by suppliers such as ourselves in certain technologies, such as hot stamping, where we are a market leader, which OEMs find difficult to match in-house in price and quality, thereby increasing outsourcing in these areas, even in mature economies.

## Our strengths

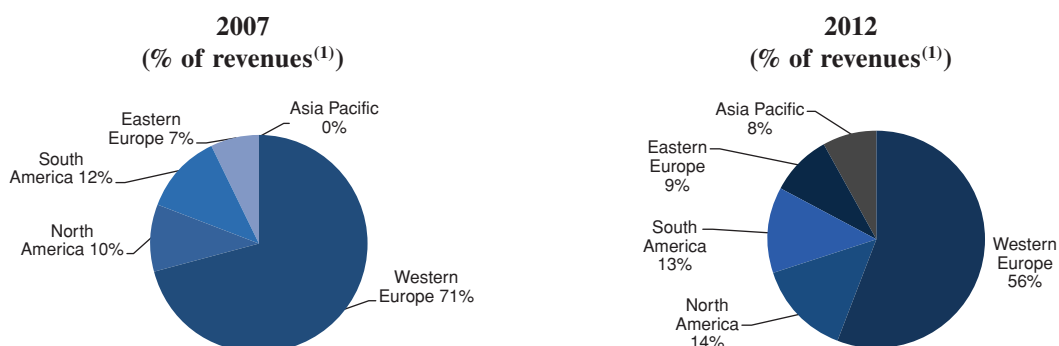
### **Highly diversified revenue base across regions, customers and products**

#### *Regional diversification*

We have a geographically highly diversified global footprint with 94 production facilities in 19 countries over four continents with four additional plants under construction as of December 31, 2012. Since 2007, we have focused our expansion outside our traditional markets in Western Europe, into North America, South America, Asia and Eastern Europe where we have been able to capture the increasing demand for our products, in part driven by a significant increase in vehicle production, particularly in the US, Mexico, Brazil, China, India, Thailand, Turkey and Russia.

We are one of very few truly global players in our product portfolio who have committed substantial investment to and have a well established presence in these growth markets. We are market leaders by revenue in the majority of them, which gives us a competitive advantage over those suppliers who are yet to establish themselves in these growing markets. For example, since 2007, when we had no production in Asia, we have increased our revenues derived from our Asian operations to €460.6 million in 2012.

As part of our customer-focused approach to our expansion strategy, we have proactively managed the decision of when and where to expand in our growth markets by coordinating our roll-out plans with those of the OEMs we supply. In the past five years, we have opened 18 production facilities in our growth markets, with four more under construction as of December 31, 2012. Our strong geographical diversification throughout our regional centers of operation allows us to take advantage of global growth opportunities and has mitigated the impact of regional demand fluctuations on our business during economic downturns. The charts below reflect the evolution of our regional diversification between 2007 and 2012 by revenue:

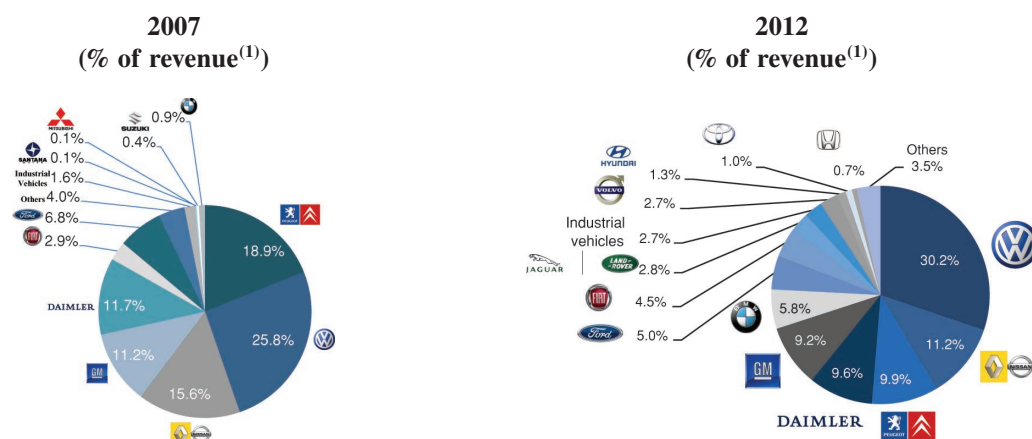


(1) Based on manufacturing origin of sales

### *Customer diversification*

We have a well diversified customer base which, through a successful development strategy, has expanded to include all of the 12 largest OEMs by production volume in 2012, as compared to seven of the largest OEMs by production volume in 2007. In the financial year ended December 31, 2012, our top three OEM customers accounted for 51.3% of our sales to OEMs (excluding tooling), compared to 60.3% in the financial year ended December 31, 2007.

We have pursued a strategy of customer diversification and have forged new global relationships with Jaguar Land Rover, Hyundai, Toyota, Honda and other OEMs with whom we had a limited relationship prior to 2007. The charts below reflect the evolution of our customer base between 2007 and 2012:



(1) Based on sales to OEMs (excluding tooling)

### *Product diversification*

Our historic product portfolio has been comprised primarily of Body-in-White products and, to a lesser extent, Chassis products. With the acquisition of the metal forming business unit of the ThyssenKrupp group (“ThyssenKrupp Metal Forming”) in 2011, we have significantly strengthened our position in Chassis products. Sales of our Body-in-White and Chassis products represented 82.5% of our total revenues in 2012.

The acquisition in 2010 of the body components business unit of Edscha AG (“Edscha”), a manufacturer of Mechanisms products, enabled us to diversify our product portfolio by further increasing the range of products we can offer our customers in the area of body and structural automotive components. Sales of our Mechanisms products represented 11.9% of our total revenues in 2012. Our expansion into these product areas was in line with our long-term growth strategy and strongly supported by our key OEM customers.

The diversification of our product portfolio has helped us to strengthen our strategic relationships with OEMs, who are able to turn to us for innovative and market-leading product solutions across the value chain.

### *Technology and leading R&D capabilities*

One of the global trends in the automotive industry is the increased focus on innovative and technologically advanced products that seek to address the parallel concerns of improved safety for passengers and road users and weight and emissions reduction. Our commitment to developing innovative, high quality products has defined our approach to our customers. We are a global leader in the automotive supplier industry in the use of high strength and ultra high strength steel, which find their application in many body parts of the car where it helps to reduce vehicle weight and improve fuel and emissions efficiency while also improving safety in a cost-effective way. Many of our products are manufactured using our state-of-the-art technologies in innovative press hardening (also known as hot stamping) and other high strength stamping processes. These products provide superior safety and weight reduction, differentiate us from our competition and help us to achieve leading positions in the industry. We have made significant investments over the past three years in rolling out our press hardening and stamping technology in our facilities around the world to respond to growing demand from OEMs for our products.

Our innovative products and market-leading processes are developed through our targeted R&D platform, which has a dedicated team of approximately 1,000 employees, across 12 facilities spread around the globe. Furthermore, we are among the very few Tier 1 suppliers that have in-house tooling capabilities. Underlying our innovative products and processes and in-house capabilities is the maintenance of rigorous quality management systems in all of our manufacturing plants and R&D facilities. Through regular internal audits we are able to ensure that our products and processes are monitored to the highest industry standards. We believe that these competencies and capabilities along the entire value chain give us a competitive advantage over many of the other suppliers.

#### ***Leading market positions***

We believe that we are the number 1 supplier of Body-in-White and Chassis products globally by combined revenue in 2011 as compared to the combined revenue of our two closest competitors for their Body-in-White and Chassis products in 2011. In Body-in-White products, we believe that we are the clear market leader among individual suppliers in Western and Eastern Europe combined, and in South America, with estimated regional market shares of approximately 31% and 22% respectively by revenue in 2011. In Chassis products, we believe that we are number two in the market among individual suppliers in Western and Eastern Europe combined, and in South America, with estimated regional market shares of approximately 24% and 25% respectively by revenue in 2011. Body-in-White, Chassis and Mechanisms products collectively represented €5,430.7 million or 94.3% of our revenues in 2012.

In developing and rolling out new models, OEMs are increasingly collaborating with suppliers to design models around common platforms and are seeking to consolidate their supplier-base with an increased focus on large, technically and financially strong global suppliers that are capable of producing consistent and high-quality products at competitive prices. As a result, large, multi-technology, high-quality Tier 1 suppliers such as ourselves are increasingly taking market share from smaller competitors, as we are in a better position to meet these OEM criteria.

We have strategic and long-standing relationships with our largest OEM customers, which are based on confidence and an understanding established over many years of successful collaboration. There are very few suppliers that, like us, have such long-standing relationships with the largest global OEMs, and there are an even smaller number of suppliers that, like us, are capable of delivering solutions to complex projects, truly globally and on a consistent and high quality basis across the product portfolios. Our scale and ability to develop differentiated solutions for OEMs on a global footing are critical to our success and differentiate us from local and regional suppliers of car components.

Our highly advanced technological capabilities, global manufacturing and managerial footprint, significant operational scale and track record of financial stability enable us to be one of the very few suppliers who can support an OEM throughout the full product life cycle, including as a development partner during the early stages of product development. This ability to support the development process of OEMs and act as an outsourcing partner to them globally is an important differentiator, especially on innovative product solutions, and would take significant investment and many years to attempt to replicate.

From operational, technical and logistical perspectives, OEMs face substantial switching costs in replacing the supplier of a particular component or platform, particularly during the life cycle of a specific vehicle model, and the supplier of a particular car model is often also chosen for subsequent generations of that model. This is largely due to the long lead-time and significant investment required to set up the production and supply processes, and to the efficiencies and savings gained through experience with the manufacturing processes of particular products.

Our long-standing and collaborative relationships with OEMs, highly advanced technological capabilities, global manufacturing and managerial footprint, significant operational scale and track record of financial stability help us to develop a competitive advantage over our competitors, entrench our strategic relationships with OEMs and reduce the risk of a committed OEM switching from us to an alternative supplier.

#### ***High mid-term revenue visibility, predictable cost-base and conservative financial risk profile***

We have long-term and strategic relationships with our OEM customers. In our industry, once a project has been nominated to a preferred supplier, it is rare for an OEM to switch to another supplier, given the prohibitive operational, technical and logistical costs of switching, particularly during the life cycle of a specific vehicle model. Given these factors, while the actual revenues which we derive from a project

ultimately depend on our OEM customers' production volumes achieved for the respective car models, we have good visibility of mid-term revenues within a relatively small range of sensitivity. Each year, most of our revenues are derived from projects that continue into following years, given that vehicle cycles last several years.

In addition, our OEM customer, brand and model diversification, highly diversified global footprint and our complementary product lines strongly mitigate the effects of regional demand or individual model volume fluctuations and help to reduce mid-term revenue volatility.

We have a relatively predictable cost base, with limited maintenance capital expenditure once a project is ongoing and limited exposure to raw material price volatility. The primary raw material used in our business is steel, which in recent years has represented approximately 50% of our sales. While steel prices affect our revenue and costs, historically, our profit margins have not been significantly affected by changes in steel prices. In 2012, over 60% of our steel was purchased through OEM re-sale programs, under which an OEM customer negotiates directly with the steel suppliers the price of the steel that we use to manufacture components for that OEM. Such negotiated steel price is passed through to the OEM customer in the sale price of the automotive component. The remainder of our steel purchasing requirements in 2012 were met through contracts with steel suppliers that we negotiated. Historically, we have negotiated with our OEM customers to pass through the increase or decrease in the steel price, eliminating significant volatility in our margins relating to volatility in steel prices. Due to our strong relationships with OEMs and the large steel volumes we acquire in the market place, we expect to be able to negotiate competitive steel contracts with suppliers and to pass through cost increases to our customers, thus stabilizing the effect on our results.

In addition to our limited exposure to raw material price volatility, we have a low operating leverage, with fixed costs accounting for less than 25% of our revenues in 2012. A significant part of our labor costs, which have represented in recent years between approximately 15% and 17% of our total annual sales, are semi-variable in nature and can be adjusted to meet business needs. For example, in 2008 and 2009, we were able to respond quickly to the deterioration in market conditions and took measures to contain costs by lowering headcount, including a reduction in the number of temporary personnel.

We have been able to keep our leverage ratios stable despite our sizeable acquisitions in 2010 (Edscha) and in 2011 (ThyssenKrupp Metal Forming). We were able to continue to invest during the downturn and maintain a high level of profitability by managing our working capital effectively, managing the timing of capital expenditures and delivering cost savings across our business. Our predictable cost-base, conservative financial profile and low operating leverage reduce the exposure of our operations to unpredictable externalities and are valued by our OEM customers.

***Experienced management team focused on operational excellence, profitable growth and stable shareholder structure***

Our management team has extensive experience in the industry and most of our executive committee have been with the company for more than 10 years. Operational excellence is deeply rooted in our organizational structure and culture. Our geographical divisions are focused on improving manufacturing processes (built upon plant-by-plant profit centers), while our business units are centered on customers, products, process innovation and R&D. Our focus on operational excellence across all of our production and R&D facilities has established us as one of the technology, quality and innovation leaders in the industry.

Our management team has a demonstrated track record of achieving long-term profitable growth through the economic cycle, maintaining double-digit EBITDA margins even during the 2008-2009 economic crisis. Our recent successful major acquisitions in 2010 (Edscha) and in 2011 (ThyssenKrupp Metal Forming) were driven by our management's identification of the substantial value creation potential of these businesses.

Our controlling shareholders are long-term holders, supportive of our vision and strategy. Our Chief Executive Officer, who is also one of our largest shareholders, has been instrumental in driving our profitable growth strategy.

**Our strategies**

Our mission is to strive to be an indispensable strategic partner for a diversified OEM customer base across our entire product portfolio. The strategies to achieve our mission, set out in more detail below, are



founded upon the pillars of best-in-class processes and product technology innovation, customer-focused growth and diversification of our global footprint, while maintaining operational excellence at all levels and in all regions.

***Retain and strengthen technological and quality leadership***

Our objective is to leverage our operational economies of scale to provide our customers with a best-in-class range of products that seek to address weight and emissions reduction targets, as well as improved passenger and road user safety. We intend to continue to strengthen our technological competencies to benefit from the trend towards co-development of new vehicles and common platforms between OEMs and suppliers, while also growing our presence in innovative technologies. Our R&D platform plays a key role in the development of new products, applications, technologies and processes, and we intend to continue to invest to retain our technological leadership and respond to the latest automotive industry trends.

***Increase penetration with OEMs***

Having significantly improved our worldwide customer penetration since the global financial crisis, we believe that we are poised to benefit from the large number of new model roll-outs of our OEM customers. We aim to increase our market share by winning new business across our global footprint. One of our key focus areas for future growth is in deepening supply relationships with Japanese OEMs outside of Japan (our sales to Japanese OEMs represented approximately 5% of our revenues in 2012 whereas their share of global production of light vehicles in 2012 was approximately 22.4%). We see a trend of Japanese OEMs shifting more of their production base outside of Japan to be closer to the markets with growing demand for vehicles. In doing so, Japanese OEMs are more open to work with foreign suppliers. We believe that our relationship with Mitsui & Co. Ltd. ("Mitsui") through our joint venture in North and South America will enhance our relationships with Japanese OEMs in general. We also intend to grow with other Asian OEMs outside of their home markets.

***Expand with discipline through selective and profitable investments***

We aim to be an indispensable global partner for our OEM customers and we strive to achieve this aim by continually proving our reliability as a strategic supplier by, for example, providing solutions to their most critical needs on a global scale, and by continuing to tailor our expansion plans to match theirs.

Our capital expenditure is associated with disciplined growth, generally tied specifically to client project nominations. Over the past five years we have opened 16 new manufacturing facilities in China, India, Brazil, Russia, Turkey, Czech Republic, Korea and Argentina and we have also invested in two new manufacturing facilities in the US, which have collectively added to our EBITDA and cash flow from operating activities. While returns on investments are not guaranteed, in assessing a new investment, as part of our internal decision making methodology, one of the factors our management considers is whether we believe that the investment may result in an internal rate of return to us of at least 15%.

This selective and disciplined approach to investments has significantly contributed to our increase in EBITDA from €390.0 million in 2010 to €620.1 million in 2012 and to our increase in cash flows from operating activities from €271.2 million in 2010 to €371.5 million in 2012. Although, we have favored organic growth over acquisitions, through our strategic acquisitions of Edscha (2010) and ThyssenKrupp Metal Forming (2011), we have participated in the consolidation and rationalization of the supplier base in collaboration with OEMs.

Currently the primary focus, both for our OEM customers and for us, is on growth markets where there are opportunities to capitalize on growing long-term demand relative to that of the mature economies. For instance, we believe that we are well-positioned to take advantage of China's growth as a result of our existing footprint of high-quality manufacturing facilities in the country. Three out of our four additional plants that are currently under construction are located in China to meet non-Chinese OEMs' local needs. There currently is substantial demand for our products in growth markets that would require additional manufacturing facilities and we aim to take advantage of this demand through selective and disciplined investments.

### ***Maintain and bring improved operational excellence to bear on existing and acquired businesses***

Our objective is to deliver a best-in-class range of products to our OEM customers and, to this end, we strive to maintain an organizational structure and culture with consistent levels of operational excellence across all of our production and R&D facilities.

At the same time, we focus on reducing our cost base through improved economies of scale and capitalizing on synergies with recently acquired businesses. Over the past five years, we have delivered double-digit EBITDA margins in our existing businesses and have a track record of improving EBITDA margins in acquired businesses as we adapt them to our best-in-class manufacturing techniques and processes.

### ***Evaluate regional partnerships in new markets***

We continually evaluate working with regional strategic partners when entering new markets in order to limit start-up risks and benefit from partners' intimate knowledge of local requirements and customers' needs. Two examples of such joint ventures are our operations in Turkey, with Beyçelik, and in Russia, with Severstal. We also have financial partners in some joint ventures with the aim to mitigate the financial costs of entering new markets. We have recently announced a joint venture with Mitsui which we expect will bring both financial and strategic benefits. If opportunities arise in the future, we will evaluate suitable partnerships strategically aligned from a customer, technological, geographic and/or financial perspective.

### **Recent developments**

#### ***Current Trading***

We are in the process of finalizing our results for the first quarter of 2013. Based on our management accounts and information currently available, we estimate that for the twelve months ended March 31, 2013 our revenue will be approximately €5.6 billion and our EBITDA will be between €598 million and €602 million. For the twelve months ended March 31, 2012 our revenue was €5.3 billion and our EBITDA was €577.6 million.

Our results for the twelve months ended March 31, 2013 compared to the twelve months ended March 31, 2012 benefited from the full-year effect of the consolidation of ThyssenKrupp Metal Forming from August 1, 2011, as well as from an increase in revenue in the US, Russia and Brazil, partially offset by lower revenue in Western Europe, particularly during the first quarter of 2013.

Our EBITDA for the first quarter of 2013 compared to the first quarter of 2012 was negatively impacted by a decline in revenue in Western Europe, as well as by the costs associated with projects under construction and the negative or low contribution of projects in ramp-up phase. Projects under construction in the first quarter of 2013 included Kaluga II in Russia, the expansion of Puebla in Mexico, as well as Dongguan and Shenyang in China; and projects still in ramp-up phase included projects such as Louny in the Czech Republic, Chennai III in India, Gravataí and Santa Isabel in Brazil, West Virginia in the US and Chongqing in China. Projects in ramp-up phase not only have higher costs associated with optimizing the production process in early stages of a project, but they also are characterized by lower volumes as orders ramp up to planned levels. These effects were substantially higher in the first quarter of 2013 compared to the first quarter of 2012.

We anticipated the reduction of revenue and EBITDA in the first quarter of 2013 compared to the first quarter of 2012 in our budgeting process which contemplated fewer working days and a reduction in revenue in Western Europe in the first quarter of 2013, as well as the effects of projects in construction and the ramp up described above. We have elected not to adopt extraordinary cost-cutting measures in Western Europe in response to the recent market contraction as we expect a market recovery during the second half of 2013. Industry sources estimate that there was a 12.7% decline in car production in Western Europe for the first quarter of 2013 compared to the first quarter of 2012. However, the same industry sources expect the decline in the first quarter in Western Europe to decelerate in the following quarters, and forecast an increase in production of 3.1% for the fourth quarter of 2013.

Our actual financial results for the first quarter of 2013 may differ from our preliminary estimated results and remain subject to our normal internal accounting review for quarterly results.

### *Mitsui Investment in our American Operations*

On January 4, 2013 we entered into an investment agreement with Mitsui according to which Mitsui will acquire a 30% minority stake in our operations in North and South America by investing €297.0 million in newly issued shares of Gestamp North America, Inc., Gestamp 2015, S.L., Gestamp 2016, S.L. and Gestamp Brasil Industria de Autopeças, S.A. (collectively the “Holdcos”), our US, Mexican, Argentinian and Brazilian sub-holding companies, respectively (the “Mitsui Investment”). The completion of the Mitsui Investment is subject to the satisfaction of certain conditions precedent, including obtaining certain regulatory approvals and our acquisition of the 35% interest in our Mexican subsidiaries that we do not currently own from a Spanish quasi-governmental entity which supports foreign investment (Compañía Española de Financiación del Desarrollo, COFIDES S.A., or “Cofides”), which is expected to close before the end of June 2013.

The alliance with Mitsui, one of the largest Japanese industrial and financial groups with a proven reputation established over the course of its almost 140 year history, represents a major backing of our strategy. Mitsui operates in 67 countries and employs over 44,000 people worldwide. In the nine months to December 31, 2012, Mitsui’s revenue was \$57.1 billion. The partnership with Mitsui will not only reinforce our presence in the important markets in North and South America, but we believe it will also substantially enhance our relationships with Japanese OEMs.

In addition, Mitsui, with its strong presence in relevant sectors such as logistics, steel and other raw materials, and in finance, among others, will make a strong positive contribution to the growth and consolidation of our business in North and South America.

### *Repurchase of 35% Minority Interest in our Mexican Operations*

We have agreed with the management of Cofides to repurchase the 35% interest that we currently do not own in our Mexican operations for an aggregate estimated consideration of between €60.0 to €70.0 million. This acquisition is expected to close before the end of June 2013 (the “Mexican Interest Repurchase”). We intend to use a portion of the net proceeds from the sale of the notes to fund the Mexican Interest Repurchase. See “Use of Proceeds”.

### **Shareholders and History**

Our shareholders are Corporación Gestamp, S.L. (“Corporación Gestamp”), which holds (directly or indirectly) 65% of the ordinary shares of Gestamp Automoción, and ArcelorMittal, S.A., indirectly holding the remaining 35% of the ordinary shares of Gestamp Automoción. See “Shareholders and Certain Transactions”.

Corporación Gestamp originated in 1958 as Gonvarri, a steel service center and today our related company. It was incorporated as Corporación Gestamp, S.L. in 1989. Since its foundation, Corporación Gestamp has expanded its operations to activities in automotive components, through Gestamp Automoción, and renewable energy, through its wind, solar, and biomass renewable energy divisions. Corporación Gestamp is wholly-owned by the Riberas family who have been supportive of our vision, strategy and growth throughout our evolution. Our President is a member of the Riberas family. Corporación Gestamp operates in 30 countries and employs about 33,000 people worldwide. In 2012, Corporación Gestamp’s revenue was €7,999.2 million and its EBITDA was €897.3 million.

ArcelorMittal, S.A. is the world’s largest steel producer, with an annual crude steel production of 97.2 million tons as of 2011. Guided by a philosophy to produce safe, sustainable steel, it is the leading supplier of quality steel products in all major markets including automotive, construction, household appliances and packaging. ArcelorMittal, S.A. operates in 60 countries, employs about 245,000 people worldwide and as of March 31, 2013, had a market capitalization of approximately \$20.2 billion. ArcelorMittal, S.A. has been a long-term shareholder in our business and, since its initial investment in 1998, has supported our vision, strategy and growth.

### **The Issuer and our Parent Company**

Gestamp Funding Luxembourg S.A. is a wholly owned Luxembourg finance subsidiary of Gestamp Automoción incorporated in Luxembourg on April 11, 2013 under number B176602 and with its registered office at 34A Boulevard Grande Duchesse Charlotte, L-1330 Luxembourg. The telephone number of the Issuer is +352 26 26 58 75.

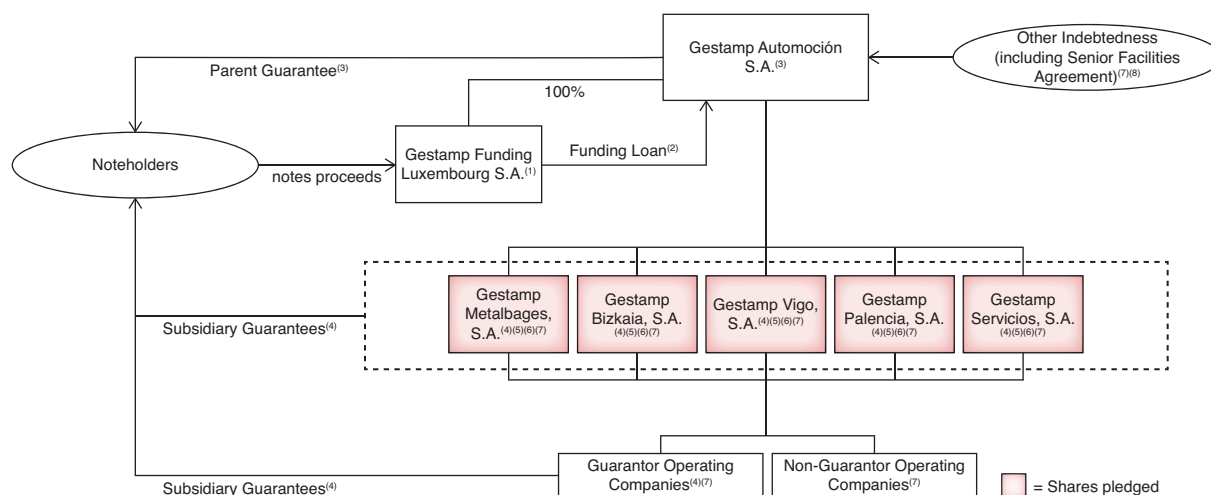
Gestamp Automoción is a *Sociedad Anónima* registered in Spain under number A-48943864 and with its registered office in the industrial park of Lebario S/N 48220 in Abadiño, Spain. Gestamp Automoción is the parent company of the Issuer and our group. The telephone number of Gestamp Automoción is +34 94 450 70 00. Gestamp Automoción was incorporated under the laws of Spain on December 22, 1997.

### The Subsidiary Guarantors

Together with the Guarantee by Gestamp Automoción, the notes will be fully and unconditionally guaranteed on a senior basis by certain subsidiaries of Gestamp Automoción. For a list of Subsidiary Guarantors on the Issue Date, please see “—The Offering—Guarantors”.

### Summary corporate and financing structure

The following diagram summarizes certain aspects of our corporate structure and financing after giving effect to this offering. For more information as to the terms of the notes, see “Description of the Notes”.



- (1) The notes will be issued by Gestamp Funding Luxembourg S.A., a wholly owned Luxembourg finance subsidiary of Gestamp Automoción.
- (2) One or more funding loans in respect of the offered notes will be made by Gestamp Funding Luxembourg S.A. to Gestamp Automoción. The funding loans have the same aggregate principal amount and repayment terms as the offered notes.
- (3) The notes will be unconditionally guaranteed by Gestamp Automoción. Our shareholders are Corporación Gestamp, which holds (directly or indirectly) 65% of the ordinary shares of Gestamp Automoción, and ArcelorMittal S.A., indirectly holding the remaining 35% of the ordinary shares of Gestamp Automoción. See “Shareholders and Certain Transactions”.
- (4) Certain of Gestamp Automoción’s subsidiaries will unconditionally guarantee the notes. For a list of these subsidiaries please see “Summary—The Offering—Guarantors”. It is expected that each of Edscha Santander, S.L., Edscha Burgos, S.L., Gestamp Toledo, S.L. and Gestamp Levante, S.L. will unconditionally guarantee the notes upon its conversion to a *Sociedad Anónima*. While we expect such conversions to occur shortly following the Issue Date, there are no assurances that such conversions will occur and failing such conversions these entities will not guarantee the notes. The subsidiaries of Gestamp Automoción which will guarantee the notes (excluding Edscha Santander, S.L., Edscha Burgos, S.L., Gestamp Toledo, S.L. and Gestamp Levante, S.L.) represent approximately 44.4% and 49.7% of our total consolidated assets and EBITDA, respectively, as of and for the year ended December 31, 2012.
- (5) The notes will be secured by a first-ranking charge over the shares of the entities identified. In addition to the subsidiaries identified, it is also expected that the shares of Gestamp Toledo, S.L. will be the subject of a first-ranking charge to secure the notes once its conversion to a *Sociedad Anónima* is complete. While we expect such conversion to occur shortly following the Issue Date, there are no assurances that such a conversion will occur and failing such conversion the shares of Gestamp Toledo, S.L. will not be the subject of such a first-ranking charge to secure the notes.
- (6) The entities which will be the subject of the first-ranking share charges are all majority-owned by Gestamp Automoción. The remaining shares not owned by Gestamp Automoción are owned by Gestamp Servicios, S.A., which will also pledge its holding in these entities in favor of the noteholders through first ranking share charges.
- (7) We have additional bank and other debt, which has been incurred and guaranteed by Gestamp Automoción and various of our subsidiaries, including subsidiaries guaranteeing the notes. As of December 31, 2012, after giving pro forma effect to the offering, the entering into of the Senior Facilities Agreement, the Mitsui Investment and the application of the proceeds therefrom, we would have had €1,835.4 million of total financial debt, including the €766.0 million aggregate principal amount of the notes issued in this offering. Subsidiaries of Gestamp Automoción that will not guarantee the notes would have had €232.2 million of debt outstanding as of December 31, 2012 on a consolidated basis. See “Description of Other Indebtedness.”

- (8) The Senior Facilities Agreement provides for facilities of €850.0 million, split into term facilities of €570.0 million and a revolving credit facility of €280.0 million. See “Description of Other Indebtedness—Senior Facilities Agreement” and “Annex A: Senior Facilities Agreement”. The intercreditor relationships between the lenders under the Senior Facilities Agreement, the trustee on behalf of the holders of the notes and creditors under certain of our Existing Debt Facilities will be governed by an Intercreditor Agreement. See “Description of Other Indebtedness—Intercreditor Agreement” and “Annex B: Intercreditor Agreement”.



## THE OFFERING

*The summary below describes the principal terms of the notes. See “Description of the Notes” in these listing particulars for a more detailed description of the terms and conditions of the notes.*

<b>Issuer</b> .....	Gestamp Funding Luxembourg S.A.
<b>Notes Offered</b> .....	€500 million aggregate principal amount of 5.875% senior secured notes due 2020 (the “Euro notes”). \$350 million aggregate principal amount of 5.625% senior secured notes due 2020 (the “Dollar notes”).
<b>Issue Date</b> .....	May 10, 2013
<b>Maturity</b> .....	The Euro notes will mature on May 31, 2020. The Dollar notes will mature on May 31, 2020.
<b>Interest Rates and Payment Dates</b> . . .	The Issuer will pay interest on the Euro notes semi-annually on May 31 and November 30 of each year, commencing November 30, 2013, at a rate of 5.875% per annum. Interest will accrue from the Issue Date. The Issuer will pay interest on the Dollar notes semi-annually on and of each year, commencing November 30, 2013, at a rate of 5.625% per annum. Interest will accrue from the Issue Date.
<b>Denominations</b> .....	The Euro notes were issued in denominations of €100,000 and integral multiples of €1,000 in excess thereof. The Dollar notes were issued in denominations of \$200,000 and integral multiples of \$1,000 in excess thereof.
<b>Security</b> .....	The notes are secured on a first priority basis by a charge over the shares of certain subsidiaries of Gestamp Automoción.
<b>Guarantees</b> .....	The notes are unconditionally guaranteed, jointly and severally, by the Guarantors. A Guarantee may be released in the event of certain sales or disposals of the relevant Guarantor, in the event of certain enforcement actions under the Intercreditor Agreement and under certain other circumstances.
<b>Guarantors</b> .....	The Guarantors are Gestamp Automoción and the other operating and intermediate holding companies listed below. The subsidiaries of Gestamp Automoción guaranteeing the notes (excluding Edscha Santander, S.L., Edscha Burgos, S.L., Gestamp Toledo, S.L. and Gestamp Levante, S.L.) represent approximately 44.4% and 49.7% of our total consolidated assets and EBITDA, respectively, as of and for the year ended December 31, 2012.
	Edscha Automotive Hengersberg GmbH (Germany)
	Edscha Holding GmbH (Germany)
	Gestamp Griwe Westerborg GmbH (Germany)
	Gestamp Griwe Hot Stamping GmbH (Germany)
	Gestamp Griwe Haynrode GmbH (Germany)
	Edscha Automotive Hauzenberg GmbH (Germany)
	Gestamp Umformtechnik GmbH (Germany)
	Edscha Hengersberg Real Estate GmbH & Co. KG (Germany)
	Edscha Hauzenberg Real Estate GmbH & Co. KG (Germany)
	Edscha Engineering GmbH (Germany)
	Gestamp Servicios, S.A. (Spain)
	Gestamp Navarra, S.A. (Spain)
	Gestamp Bizkaia, S.A. (Spain)
	Gestamp Metalbages, S.A. (Spain)
	Edscha Santander, S.L. (once converted into an S.A.) (Spain)

Gestamp Esmar, S.A.	(Spain)
Gestamp Palencia, S.A.	(Spain)
Gestamp Abrera, S.A.	(Spain)
Edscha Burgos, S.L. (once converted into an S.A.)	(Spain)
Gestamp Solblank Barcelona, S.A.	(Spain)
Loire Sociedad Anónima Franco Española	(Spain)
Gestamp Aragón, S.A.	(Spain)
Gestamp Toledo, S.L. (once converted into an S.A.)	(Spain)
Gestamp Linares, S.A.	(Spain)
Gestamp Vigo, S.A.	(Spain)
Gestamp Galvanizados, S.A.	(Spain)
Gestamp Levante, S.L. (once converted into an S.A.)	(Spain)
Sofedit España, S.A.	(Spain)
Ingeniería Global Metalbages, S.A.	(Spain)
Gestamp Noury, S.A.S	(France)
Gestamp Ronchamp, S.A.S	(France)
Edscha Briey, S.A.S	(France)
Sofedit S.A.S	(France)
S.C.I. de Tournan	(France)
Edscha Engineering France, S.A.S	(France)
Gestamp Prisma, S.A.S	(France)
Gestamp Hungaria KFT	(Hungary)
Gestamp Polska, Sp z o o	(Poland)
Sofedit Polska, Sp z o o	(Poland)
Gestamp Aveiro Industria e Accesorios de Automoveis, S.A.	(Portugal)
Gestamp Cerveira, Lda.	(Portugal)
Gestamp Vendas Novas, Lda.	(Portugal)
Edscha Automotive Kamenice, sro	(Czech Republic)
Edscha Hradec, sro	(Czech Republic)
Gestamp Louny, sro	(Czech Republic)
Gestamp Tallent Limited	(England)
Gestamp Washington UK Limited	(England)
Edscha Velky Meder, sro	(Slovakia)
Gestamp HardTech, AB	(Sweden)
Gestamp Sweden, AB	(Sweden)

#### **Ranking of the Notes and Guarantees**

The notes are the general senior obligations of the Issuer and rank equally in right of payment with all existing and future senior indebtedness of the Issuer. The notes rank senior in right of payment to any existing and future obligations of the Issuer subordinated in right of payment to the notes. The notes are effectively subordinated to all secured obligations of the Issuer, to the extent of the value of the property or assets securing such obligations. The notes are and will be structurally subordinated to any existing and future indebtedness of the subsidiaries of the Issuer that do not guarantee the notes.

The Guarantees of the Subsidiary Guarantors:

- rank equally in right of payment with any existing and future unsecured debt of the Subsidiary Guarantors;
- rank equally in right of payment to all existing and future obligations of the Subsidiary Guarantors that is not subordinated in right of payment to the their Guarantees;
- be effectively subordinated to any secured debt of the Subsidiary Guarantors to the extent of the value of the assets securing such debt.

The Guarantee of Gestamp Automoción:

- rank equally in right of payment with any existing and future debt of Gestamp Automoción that is not subordinated in right of payment to its Guarantee;
- are and will be effectively senior in right of payment to any existing and future unsecured debt of Gestamp Automoción to the extent of the value of the Collateral securing its Guarantee;
- are and will be structurally subordinated to all existing and future debt of any subsidiaries of Gestamp Automoción that do not guarantee the notes (other than the Issuer).

See “Description of Other Indebtedness—Intercreditor Agreement” for a description of certain terms affecting the notes and the Guarantees, including provisions relating to the release of Guarantees and turnover of proceeds following an enforcement event under the Intercreditor Agreement and “Annex B : Intercreditor Agreement”.

As of December 31, 2012, after giving pro forma effect to this offering, the entering into of the Senior Facilities Agreement, the Mitsui Investment and the application of the estimated proceeds therefrom (i) we would have had outstanding €1,835.4 million of indebtedness, including the notes, and (ii) the subsidiaries of Gestamp Automoción that will not guarantee the notes would have had €232.2 million of debt. See “Description of Other Indebtedness”. The Issuer would have had no debt other than the notes.

The Issuer is a special purpose finance subsidiary and has no assets or operations, other than in connection with the issuance of the notes. Gestamp Automoción is a holding company conducting its operations primarily through its subsidiaries.

**Intercreditor Agreement . . . . .** The first-ranking charges over the shares of certain subsidiaries of Gestamp Automoción have also been granted to secure indebtedness under the Senior Facilities Agreement and the notes. These intercreditor relationships are governed by the Intercreditor Agreement. Pursuant to the terms of the Intercreditor Agreement, the holders of the notes and Guarantees will share on a *pro rata* basis recoveries received upon enforcement over any such share charges constituting Collateral with the secured creditors under the Senior Facilities Agreement and certain of our Existing Debt Facilities.

**Optional Redemption . . . . .** The Issuer may redeem all or part of the notes at any time on or after May 31, 2016 at the redemption prices described in “Description of the Notes—Optional Redemption”.

At any time prior to May 31, 2016 the Issuer may also redeem all or part of the notes at a redemption price equal to 100% of the principal amount of the notes redeemed plus a “make whole” premium, plus accrued and unpaid interest and additional amounts, if any, to the date of redemption.

At any time prior to May 31, 2016 the Issuer may redeem up to 35% of the aggregate principal amount of the Euro notes with the net cash proceeds from certain equity offerings at a redemption price equal to 105.875% of their principal amount, plus accrued and unpaid interest and additional amounts, if any, to the redemption date, provided that at least 65% of the aggregate principal amount of the Euro Notes remains outstanding after the redemption.

At any time prior to May 31, 2016 the Issuer may redeem up to 35% of the aggregate principal amount of the Dollar notes with the net cash proceeds from certain equity offerings at a redemption price equal to 105.625% of their principal amount, plus accrued and unpaid interest and additional amounts, if any, to the redemption date, provided that at least 65% of the aggregate principal amount of the Dollar notes remains outstanding after the redemption.

**Optional Tax Redemption** . . . . . The Issuer may redeem the notes in whole, but not in part, at any time, if changes in tax laws would require the Issuer to pay additional amounts on the notes. If the Issuer decides to redeem the notes following such a change in tax laws, the Issuer must redeem the notes at a price equal to the principal amount of the notes plus accrued and unpaid interest and additional amounts, if any, to the date of redemption and certain other amounts. See “Description of the Notes—Optional Tax Redemption”.

**Additional Amounts** . . . . . All payments in respect of the notes or any Guarantee will be made without withholding or deduction on account of taxes unless required by law. If an applicable withholding agent is required by law to withhold or deduct any amount for taxes imposed by a Relevant Taxing Jurisdiction (as defined herein) in respect of payments on the notes or any Guarantee, subject to certain exceptions, we will pay the additional amounts necessary so that the net amount received by the beneficial owners of notes after the withholding or deduction (including any withholding or deduction attributable to the additional amounts) will equal the amounts that would have been received had there been no deduction or withholding. See “Description of the Notes—Additional Amounts”.

**Change of Control** . . . . . If we experience specific kinds of changes in control, the Issuer may be required to offer to repurchase the notes at a redemption price equal to 101% of the aggregate principal amount thereof, plus accrued and unpaid interest and additional amounts, if any. See “Description of the Notes—Repurchase at the Option of Holders—Change of Control”.

**Certain Covenants** . . . . . The Indenture governing the notes will, among other things, limit our ability to:

- incur or guarantee additional debt and issue preferred stock;
- make certain payments, including dividends or other distributions;
- make certain investments or acquisitions, including participating in joint ventures;
- prepay or redeem subordinated debt;
- engage in certain transactions with affiliates;
- create unrestricted subsidiaries;
- enter into arrangements that restrict payments of dividends to us;
- sell assets, consolidate or merge with or into other companies;
- sell or transfer all or substantially all of our assets or those of our subsidiaries on a consolidated basis;
- issue or sell share capital of certain subsidiaries; and
- create or incur certain liens.

These covenants contain important exceptions, limitations and qualifications. See “Description of the Notes—Certain Covenants”.

<b>Transfer Restrictions</b> . . . . .	The notes have not been and will not be registered under the Securities Act or the securities laws of any other jurisdiction and will not be so registered. The notes are subject to restrictions on transferability and resale. See “Transfer Restrictions”. Holders of the notes will not have the benefit of any exchange or registration rights.
<b>Listing</b> . . . . .	The Issuer has applied for the notes to be admitted to the Official List of the Luxembourg Stock Exchange for trading on the Euro MTF.
<b>No Prior Market</b> . . . . .	Although application has been made to admit the notes to the Official List of the Luxembourg Stock Exchange for trading on the Euro MTF in accordance with its rules, the notes will be new securities for which there will be no established market. Although the Initial Purchasers have informed us that they intend to make a market in the notes, they are not obligated to do so and they may discontinue market-making at any time without notice. Accordingly, we cannot assure you that a liquid market for the notes will develop or be maintained.
<b>Use of Proceeds</b> . . . . .	We expect to use the net proceeds of this offering to refinance certain existing facilities, effect the Mexican Interest Repurchase and pay commissions, fees and other expenses associated with this offering. See “Use of Proceeds”.
<b>Trustee</b> . . . . .	Deutsche Trustee Company Limited.
<b>Security Agent</b> . . . . .	Deutsche Bank AG, London Branch.
<b>Principal Paying Agent</b> . . . . .	Deutsche Bank AG, London Branch (for the Euro notes)
<b>Transfer Agent and Principal Paying Agent</b> . . . . .	Deutsche Bank Trust Company Americas (for the Dollar notes).
<b>Registrar, Luxembourg Listing, Transfer Agent</b> . . . . .	Deutsche Bank Luxembourg S.A.
<b>Governing Law of the Indenture, the notes and the Guarantees</b> . . . . .	New York.
<b>Governing Law for Security Documents relating to the Collateral</b> .	Spanish.
<b>Governing Law of the Intercreditor Agreement</b> . . . . .	English.

#### **RISK FACTORS**

Investing in the notes involves substantial risks. You should consider carefully all the information in these listing particulars. In particular, you should carefully consider the factors set forth under “Risk Factors” before making a decision whether to invest in the notes.



## SUMMARY CONSOLIDATED FINANCIAL DATA

Our summary consolidated historical financial data has been derived as follows: consolidated financial data as of and for each of the years ended December 31, 2012, 2011, 2010, 2009 and 2008, respectively, has been derived from our audited consolidated financial statements as of and for the years ended December 31, 2012, 2011, 2010, 2009 and 2008, respectively. Our audited consolidated financial statements as of and for the years ended December 31, 2012, 2011 and 2010 are included elsewhere in these listing particulars.

Also presented below is certain adjusted financial data and pro forma financial data which has been prepared to give pro forma effect to this offering, the entering into of the Senior Facilities Agreement, the Mitsui Investment, the application of the proceeds therefrom and the related transactions as described under “Use of Proceeds”, in each case as if these events had occurred on December 31, 2012 with respect to balance sheet data, and on January 1, 2012 with respect to income statement data. The pro forma and adjusted financial data is for information purposes only, and does not purport to present what our results of operations and financial condition would have been had these transactions actually occurred on these dates, nor does it project our results of operations for any future period or our financial condition at any future date. While the adjusted financial data has been derived from historical financial information prepared in accordance with IFRS, such financial data contains financial measures other than those in accordance with IFRS and should not be considered in isolation from or as a substitute for our historical financial information.

Our summary consolidated financial data is presented in € and has been prepared in accordance with IFRS. You should read this summary consolidated financial data in conjunction with “Capitalization”, “Selected Consolidated Financial and Other Information”, “Operating and Financial Review and Prospects”, and the historical consolidated financial statements and the related notes, included elsewhere in these listing particulars.

	Year ended December 31,				
	2008	2009	2010	2011	2012
	(€millions)				
<b>Consolidated Income Statement Data:</b>					
Operating income . . . . .	2,420.0	2,081.1	3,284.7	4,913.8	5,872.1
Revenue . . . . .	2,308.0	2,032.4	3,170.4	4,774.6	5,757.3
Other operating income . . . . .	15.6	23.6	86.5	36.6	91.8
Changes in inventories . . . . .	96.5	25.1	27.9	102.6	23.0
Operating expenses . . . . .	(2,328.2)	(2,016.9)	(3,091.2)	(4,607.0)	(5,532.0)
Raw materials and other consumables . . . . .	(1,526.0)	(1,306.3)	(2,039.9)	(3,165.3)	(3,635.3)
Personnel expenses . . . . .	(369.9)	(347.4)	(535.6)	(733.9)	(989.6)
Depreciation, amortization, and impairment losses . . . . .	(177.8)	(159.0)	(196.5)	(240.6)	(280.0)
Other operating expenses . . . . .	(254.5)	(204.1)	(319.2)	(467.3)	(627.2)
<b>Operating profit . . . . .</b>	<b>91.8</b>	<b>64.2</b>	<b>193.5</b>	<b>306.8</b>	<b>340.1</b>
Finance income . . . . .	10.5	6.8	7.0	10.0	7.3
Finance expenses . . . . .	(48.6)	(43.4)	(63.9)	(72.5)	(87.5)
Exchange gains (losses) . . . . .	(12.2)	(1.3)	6.6	(11.7)	(1.5)
Other <sup>(1)</sup> . . . . .	(0.1)	(0.2)	2.8	(2.6)	4.1
<b>Profit for the year from continuing operations . . . .</b>	<b>41.3</b>	<b>26.1</b>	<b>146.1</b>	<b>230.0</b>	<b>262.5</b>
Income tax expense . . . . .	6.2	2.0	(33.0)	(57.4)	(76.4)
<b>Profit for the year . . . . .</b>	<b>47.5</b>	<b>28.1</b>	<b>113.1</b>	<b>172.6</b>	<b>186.1</b>
Profit (loss) attributable to non-controlling interests . . . . .	(1.7)	2.9	(1.7)	(4.1)	(16.0)
<b>Profit attributable to equity holders of the parent .</b>	<b>45.8</b>	<b>31.0</b>	<b>111.4</b>	<b>168.5</b>	<b>170.1</b>

	As of December 31,				
	2008	2009	2010	2011	2012
	(€millions)				
<b>Consolidated Balance Sheet Data:</b>					
Intangible assets . . . . .	170.1	182.0	192.4	197.4	215.1
Property, plant and equipment . . . . .	1,388.7	1,432.5	1,713.4	2,132.9	2,431.4
Non-current Financial assets . . . . .	5.0	32.2	35.6	52.0	60.8
Inventories . . . . .	189.3	142.5	253.4	452.8	496.0
Trade and other receivables . . . . .	464.8	494.4	725.8	1,016.3	1,003.8
Cash and cash equivalents . . . . .	195.3	192.6	337.1	260.1	247.6
Other <sup>(2)</sup> . . . . .	233.4	345.4	262.2	228.1	236.4
<b>Total assets . . . . .</b>	<b>2,646.7</b>	<b>2,821.5</b>	<b>3,519.9</b>	<b>4,339.6</b>	<b>4,691.1</b>
<b>Total equity . . . . .</b>	<b>908.9</b>	<b>979.7</b>	<b>1,206.6</b>	<b>1,443.9</b>	<b>1,550.2</b>
Non trade liabilities . . . . .	766.1	752.6	765.5	862.2	1,119.1
Trade and other payables . . . . .	433.4	452.8	677.8	949.6	924.6
Other liabilities . . . . .	538.3	636.4	869.9	1,083.9	1,097.2
<b>Total liabilities . . . . .</b>	<b>1,737.8</b>	<b>1,841.8</b>	<b>2,313.3</b>	<b>2,895.7</b>	<b>3,140.9</b>

	Year ended December 31,				
	2008	2009	2010	2011	2012
	(€millions)				
<b>Consolidated Cash Flow Information:</b>					
Cash flows from operating activities . . . . .	296.6	266.0	271.2	305.2	370.2
Cash flows from investing activities . . . . .	(385.5)	(229.8)	(326.1)	(622.7)	(579.2)
Cash flows from financing activities . . . . .	(64.3)	(39.0)	199.4	240.5	196.5
<b>Net increase (decrease) of cash or equivalent . . . . .</b>	<b>(153.2)</b>	<b>(2.8)</b>	<b>144.5</b>	<b>(77.0)</b>	<b>(12.5)</b>

	Year ended December 31,				
	2008	2009	2010	2011	2012
	(€millions, except percentages and ratios)				
<b>Other Financial Data:</b>					
EBITDA <sup>(3)</sup>	269.6	223.2	390.0	547.4	620.1
EBITDA margin	11.7%	11.0%	12.3%	11.5%	10.8%
Capital expenditures <sup>(4)</sup>	334.3	238.5	230.0	340.4	590.9
Acquisitions (net of disposals) <sup>(5)</sup>	(18.9)	—	(112.4)	(380.7)	(4.0)
Cash, cash equivalents and current financial assets	309.4	381.8	417.4	295.5	301.0
Total financial debt <sup>(6)</sup>	1,067.7	1,034.9	1,194.8	1,329.7	1,598.8
Net financial debt <sup>(6)</sup>	758.3	653.0	777.4	1,034.2	1,297.8
Net financial expenses <sup>(7)</sup>	38.2	36.7	56.9	62.5	80.2
Ratio of net financial debt to EBITDA <sup>(8)</sup>	2.8x	2.9x	2.0x	1.9x	2.1x
Ratio of EBITDA to net financial expenses <sup>(9)</sup>	7.1x	6.1x	6.9x	8.8x	7.7x

	Year ended December 31, 2012 (€millions, except ratios)
<b>Pro Forma Financial Data:</b>	
EBITDA <sup>(3)</sup> . . . . .	620.1
Cash, cash equivalents and current financial assets <sup>(10)</sup> . . . . .	740.0
Pro forma net financial debt <sup>(10)</sup> . . . . .	1,095.4
Pro forma net financial expenses <sup>(11)</sup> . . . . .	96.2
Ratio of pro forma net financial debt to EBITDA <sup>(12)</sup> . . . . .	1.8x
Ratio of EBITDA to pro forma net financial expenses <sup>(13)</sup> . . . . .	6.4x

(1) Consists of share of profits from associates, change in fair value of financial instruments and impairment of and gains (losses) on sale of financial instruments.

(2) Consists of deferred tax assets, current financial assets and other current assets.

- (3) “EBITDA” represents operating profit before depreciation, amortization and impairment losses. Our management believes that EBITDA is meaningful for investors because it provides an analysis of our operating results, profitability and ability to service debt and because EBITDA is used by our chief operating decision makers to track our business evolution, establish operational and strategic targets and make important business decisions. EBITDA is also a measure commonly reported and widely used by analysts, investors and other interested parties in our industry. To facilitate the analysis of our operations, this indicator excludes amortization, impairment and depreciation expenses from operating profit in order to eliminate the impact of general long-term capital investment. Although we are presenting this measure to enhance the understanding of our historical operating performance, EBITDA should not be considered an alternative to operating profit as an indicator of our operating performance, or an alternative to cash flows from operating activities as a measure of our liquidity. The following table presents the calculation of this measure:

	Year ended December 31,				
	2008	2009	2010	2011	2012
	(€millions)				
<b>Operating profit</b> . . . . .	<b>91.8</b>	<b>64.2</b>	<b>193.5</b>	<b>306.8</b>	<b>340.1</b>
<i>Adjusted for:</i>					
Depreciation, amortization and impairment losses . . . . .	177.8	159.0	196.5	240.6	280.0
<b>EBITDA</b> . . . . .	<b>269.6</b>	<b>223.2</b>	<b>390.0</b>	<b>547.4</b>	<b>620.1</b>

- (4) Capital expenditures mean expenditure on property, plant and equipment.
- (5) We define acquisitions net of disposals to include cash flows used in investments in group companies and associates less cash flows from divestments of group companies and associates.
- (6) Total financial debt consists of interest-bearing loans and borrowings, financial leasing, borrowings from associated companies, loans from the Ministry of Science and Technology and other interest bearing loans but does not include derivative financial instruments, non-interest bearing loans, other current non-trade liabilities, deferred income, provisions, deferred tax liabilities, trade and other payables and other liabilities. Net financial debt consists of total financial debt less cash and cash equivalents and current financial assets. The following table presents a calculation of these measures:

	Year ended December 31,				
	2008	2009	2010	2011	2012
	(€millions)				
Interest bearing loans and borrowings . . . . .	1,018.0	954.6	1,140.9	1,232.2	1,378.1
Financial leasing . . . . .	1.5	0.6	0.2	0.2	25.1
Borrowings from associated companies . . . . .	48.2	63.5	33.5	74.6	121.5
Loans from the Ministry of Science and Technology . . . . .	—	16.2	20.3	22.6	34.5
Other interest bearing loans . . . . .	—	—	—	—	39.5
<b>Total financial debt</b> . . . . .	<b>1,067.7</b>	<b>1,034.9</b>	<b>1,194.8</b>	<b>1,329.7</b>	<b>1,598.8</b>
Cash and cash equivalents and current financial assets . . . . .	309.4	381.8	417.4	295.5	301.0
<b>Net financial debt</b> . . . . .	<b>758.3</b>	<b>653.0</b>	<b>777.4</b>	<b>1,034.2</b>	<b>1,297.8</b>

- (7) Net financial expenses consist of finance expenses less finance income.
- (8) Calculated by dividing net financial debt by EBITDA.
- (9) Calculated by dividing EBITDA by net financial expenses.
- (10) Pro forma cash, cash equivalents and current financial assets and pro forma net financial debt give pro forma effect to the offering of the notes, the entering into of the Senior Facilities Agreement, the Mitsui Investment and the application of the net proceeds therefrom as described under “Use of Proceeds” as if they had occurred on December 31, 2012. See “Use of Proceeds,” “Capitalization,” “Recent Developments”.
- (11) Pro forma net financial expenses give pro forma effect to the offering of the notes, the incurrence of the Senior Facilities, the Mitsui Investment and the application of the net proceeds therefrom as described under “Use of Proceeds” as if they had occurred on January 1, 2012. Pro forma net financial expenses have been calculated by adding to net financial expenses for the period the financial expenses associated with the notes (using actual rates and excluding the amortization of issuance costs) and the Senior Facilities (using actual rates, including undrawn commitment fees), and by deducting from financial expenses the financial expenses associated with the debt being repaid in connection with this offering using an estimated interest rate for the period. We have not made any adjustments as a result of the increased cash on balance sheet. See “Use of Proceeds,” “Capitalization,” “—Recent Developments—Mitsui Investment in our American Operations” and “Recent Developments—Repurchase of 35% Minority Interest in our Mexican Operations”. See also footnote (7) above.
- (12) Calculated by dividing pro forma net financial debt by EBITDA.
- (13) Calculated by dividing EBITDA by pro forma net financial expenses.

## RISK FACTORS

*The following summarizes certain risks involved in an investment in the notes that may materially affect our ability to pay the interest, principal and premium, if any, on the notes. There may be additional risks that we do not currently know of or that we currently deem immaterial based on information available to us. Our business, financial condition or results of operations could be materially adversely affected by any of these risks.*

### **Risks related to our Business**

*The weakness in the global economy, the global credit markets and the financial services industry over the past several years has severely and negatively affected demand for automobiles and automotive parts and continued weakness or a worsening of economic and political conditions could have a material adverse effect on our profitability.*

Demand for and pricing of our products are subject to economic and political conditions and other factors present in the various domestic and international markets where our products are sold. The level of demand for our products depends primarily upon the level of consumer demand for new vehicles that are manufactured with our products.

The global economic crisis has resulted in delayed and reduced purchases of durable consumer goods, such as automobiles. Although the global economic climate improved during 2011 and 2012, the global economy has not recovered to levels previously experienced and remains fragile. If the global economy were to take another significant downturn, depending upon its length, duration and severity, our business, financial condition, results of operations, and cash flow would again be materially adversely affected.

*The continuation or worsening of the European “sovereign debt crisis” could intensify the risks faced by the automotive industry and our business, which could have a material adverse effect on our operations, financial condition and profitability.*

As a result of the continuing credit crisis in Europe and the widespread concern about the ability of several European governments to repay their debt, particularly in Cyprus, Greece, Italy, Ireland, Portugal and Spain, in March 2011, the European Council agreed on the need for Eurozone countries to establish a permanent stability mechanism, the European Stability Mechanism (the “ESM”), to assume the role of the European Financial Stability Facility and the European Financial Stability Mechanism in providing external financial assistance to Eurozone countries after June 2013.

On February 2, 2012, the Treaty Establishing the European Stability Mechanism (the “ESM Treaty”) was signed by each Member State of the countries that utilize the Euro as an official currency (the “Eurozone”). The ESM Treaty includes a package of measures, including the provision of financial assistance to its signatories experiencing or being threatened by severe financing problems, where such financial assistance is necessary for the safeguarding of financial stability in the Eurozone as a whole, and entered into force on September 27, 2012.

On March 2, 2012, a new fiscal compact, the Treaty on Stability, Coordination and Governance in the Economic Monetary Union (the “Fiscal Compact”), was signed by all Member States of the European Union (the “Member States”) (except the Czech Republic and the United Kingdom) and entered into force on January 1, 2013. To date, the European Council had received 10 ratification instruments from Eurozone countries. The Fiscal Compact places deficit restrictions on Member State budgets (other than the United Kingdom and Czech Republic), with associated sanctions for those Member States that violate the specified limits.

Despite these measures, conditions in Europe have resulted in increased volatility in global capital markets, as well as lower consumer confidence, which could continue for the foreseeable future. Western Europe and Eastern Europe accounted for approximately 56% and 9%, respectively, of our consolidated revenues (based on manufacturing origin of sales) for the year ended December 31, 2012. In these circumstances, many of the risks faced by the automotive industry and our business could intensify, which could have a material adverse effect on our business, financial condition, results of operations and cash flows as well as negatively impact our access to, and cost of, capital.

***An unanticipated deterioration of economic conditions, which may include the failure of one or more major financial institutions, could adversely affect the amount of credit available to us, result in depletion of our cash resources and subject us to counterparty risk in connection with derivative transactions, each of which could have a material adverse effect on our operations and financial condition.***

Uncertain economic conditions create significant planning risks for us. The occurrence of an economic shock not contemplated in our business plan, a rapid deterioration of economic conditions or a more prolonged recession than that experienced during the global economic crisis could result in the depletion of our cash resources. Notwithstanding that we have a diverse group of financial institutions acting as providers of credit to our business, the failure of a financial institution in which we invest our cash reserves or that is a counterparty in a derivatives transaction with us, could increase the risk that our cash reserves and amounts owing to us pursuant to derivative transactions may not be fully recoverable. Each of these factors could have a material adverse effect on our operations and financial condition.

***Deterioration in the world economies could exacerbate the difficulties experienced by our customers and suppliers in obtaining financing, which, in turn, could materially and adversely impact our business, financial condition, results of operations and cash flows.***

Lending institutions have suffered and may continue to suffer losses due to their lending and other financial relationships, especially because of the general weakening of the global economy and the increased financial instability of many borrowers. Longer-term disruptions in the credit markets could further adversely affect our customers by making it increasingly difficult for them to obtain financing for their businesses and for their customers to obtain financing for automobile purchases. Our OEM customers typically require significant financing for their respective businesses. In addition, our OEM customers typically have related finance companies that provide financing to their dealers and customers. These finance companies have historically been active participants in the securitization markets, which have experienced severe disruptions during the global economic crisis. Our suppliers, as well as the other suppliers to our customers, may face similar difficulties in obtaining financing for their businesses. If capital is not available to our customers and suppliers, or if its cost is prohibitively high, their businesses would be negatively impacted, which could result in their restructuring or even reorganization/liquidation under applicable bankruptcy laws. Any such negative impact, in turn, could materially and negatively affect our company either through the loss of revenues to any of our customers so affected, or due to our inability to meet our commitments without excess expense resulting from disruptions in supply caused by the suppliers so affected.

Financial difficulties experienced by any major customer could have a material adverse impact on us if such customer were unable to pay for the products we provide, materially reduced its capital expenditure on, and resulting demand for, new product lines, or we otherwise experienced a loss of, or material reduction in, business from such customer. As a result of such difficulties, we could experience lost revenues, significant write-offs of accounts receivable, significant impairment charges or additional restructurings beyond the steps we have taken to date.

***The automobile industry is highly cyclical and cyclical downturns in our business segments negatively impact our business, financial condition, results of operations and cash flows.***

The volume of automotive production and the level of new vehicle purchases regionally and worldwide are cyclical and have fluctuated, sometimes significantly from year-to-year. These fluctuations are caused by such factors as general economic conditions, interest rates, consumer confidence, consumer preferences, patterns of consumer spending, fuel costs and the automobile replacement cycle, and such fluctuations give rise to changes in demand for our products and may have a significant adverse impact on our results of operations.

The highly cyclical and fluctuating nature of the automotive industry presents a risk that is outside our control and that cannot be accurately predicted. Moreover, a number of factors that we cannot predict can and have impacted cyclicity in the past. Decreases in demand for automobiles generally, or in the demand for our products in particular, could materially and adversely impact our business, financial condition, results of operations and cash flows.



***We are dependent on large customers for current and future revenues. The loss of any of these customers or the loss of market share by these customers could have a material adverse impact on us.***

Although we supply our products to several of the leading automobile manufacturers, as is common in our industry we depend on certain large-value customers for a significant proportion of our revenues. For example, during 2012, Volkswagen, Renault-Nissan, Peugeot, Daimler and General Motors represented approximately 30.2%, 11.2%, 9.9%, 9.6% and 9.2% of our revenues, respectively. The loss of all or a substantial portion of our sales to any of our large-volume customers could have a material adverse effect on our business, financial condition, results of operations and cash flows by reducing cash flows and by limiting our ability to spread our fixed costs over a larger revenue base. We may make fewer sales to these customers for a variety of reasons, including, but not limited to:

- loss of awarded business;
- reduced or delayed customer requirements;
- OEMs' insourcing business they have traditionally outsourced to us;
- strikes or other work stoppages affecting production by our customers;
- bankruptcy or insolvency of a customer; or
- reduced demand for our customers' products.

See also “—Deterioration in the world economies could exacerbate the difficulties experienced by our customers and suppliers in obtaining financing, which, in turn, could materially and adversely impact our business, financial condition, results of operations and cash flows”.

***Our inability to realize revenues represented by our awarded business or termination or non-renewal of production purchase orders by our customers could materially and adversely impact our business, financial condition, results of operations and cash flows.***

The realization of future revenues from awarded business is inherently subject to a number of important risks and uncertainties, including the number of vehicles that our customers will actually produce and the timing of that production.

Typically the terms and conditions of the agreements with our customers do not include a commitment regarding minimum volumes of purchases from us. In addition, such contracts typically provide that customers have the contractual right to unilaterally terminate our contracts with them with no notice or limited notice. If such contracts are terminated by our customers, our ability to obtain compensation from our customers for such termination is generally limited to the direct out-of-pocket costs that we incurred for raw materials and work-in-progress and in certain instances undepreciated capital expenditures. Further, there is no guarantee that our customers will renew their purchase orders with us. We cannot assure you that our results of operations will not be materially adversely impacted in the future if we are unable to realize revenues from our awarded business, if our customers cancel awarded business or if our customers fail to renew their contracts with us.

***Disruptions in the automotive supply chain could have a material adverse impact on our business, financial condition, results of operations and cash flows.***

The automotive supply chain is subject to disruptions because we, along with our customers and suppliers, attempt to maintain low inventory levels. In addition, our plants are typically located in close proximity to our customers.

Disruptions could be caused by a multitude of potential problems, such as closures of one of our or our suppliers' plants or critical manufacturing lines due to strikes, mechanical breakdowns, electrical outages, fires, explosions or political upheaval, as well as logistical complications due to weather, earthquakes, or other natural or nuclear disasters, mechanical failures, delayed customs processing and more.

Additionally, if we are the cause for a customer being forced to halt production, the customer may seek to recoup all of its losses and expenses from us. Any disruptions affecting us or caused by us could have a material adverse impact on our business, financial condition, results of operations and cash flows.

***The inability for us, our customers or our suppliers to obtain and maintain sufficient capital financing, including working capital lines, and credit insurance may adversely affect our, our customers' and our suppliers' liquidity and financial condition.***

Our working capital requirements can vary significantly, depending in part on the level, variability and timing of our customers' worldwide vehicle production and the payment terms with our customers and suppliers. Our liquidity could also be adversely impacted if our suppliers were to suspend normal trade credit terms and require payment in advance or payment on delivery. If our available cash flows from operations are not sufficient to fund our ongoing cash needs, we would be required to look to our cash balances and availability for borrowings under our credit facilities to satisfy those needs, as well as potential sources of additional capital, which may not be available on satisfactory terms and in adequate amounts, if at all.

There can be no assurance that we, our customers and our suppliers will continue to have such ability. This may increase the risk that we cannot produce our products or will have to pay higher prices for our inputs. These higher prices may not be recovered in our selling prices.

Our suppliers often seek to obtain credit insurance based on the strength of the financial condition of our subsidiary with the payment obligation, which may be less robust than our consolidated financial condition. If we were to experience liquidity issues, our suppliers may not be able to obtain credit insurance and in turn would likely not be able to offer us payment terms that we have historically received. Our failure to receive such terms from our suppliers could have a material adverse effect on our liquidity.

***The volatility of steel prices may adversely affect our results of operations.***

The primary raw material used in our business is steel, which in recent years has represented approximately 50% of our sales. In 2012, approximately 65% of our steel was purchased through OEM re-sale programs, with the remainder of our steel purchasing requirements in 2012 was met through contracts with steel suppliers that we negotiated.

An increase or decrease in steel prices affects our results. Although we have sought to be largely neutral with respect to steel pricing's impact on our margins over time as a result of our steel pricing arrangements, there is no guarantee that we will be able to achieve that goal. Most of our steel purchasing contracts that we negotiate directly with suppliers and that are not under OEM re-sale programs do not have any contractual provisions for pass through of the price of steel to the OEMs. Although historically and consistent with automotive industry standards, we have been able to negotiate with our OEM customers to pass through the impact of price swings leaving us protected from changing steel prices, however, there are no assurances that this will continue in the future.

We typically sell scrap steel in secondary markets in which, typically, the price of scrap steel fluctuates in line with fluctuations in steel prices. We generally share our recoveries from sales of scrap steel with our OEM customers either through scrap sharing agreements, in cases where we are on resale programs, or in the product pricing that we negotiate with OEMs regarding increases and decreases in the steel price in cases where we purchase steel directly from the mills. We may be impacted by the fluctuation in scrap steel prices, either positive or negative, in relation to our various customer agreements. If costs of raw materials and energy continue to rise, and if we are not able to undertake cost saving measures elsewhere in our operations or increase the selling prices of our products, we will not be able to compensate such cost increases, which could have a material adverse effect on our business, financial condition and results of operations.

***We may have difficulty competing favorably in the highly competitive automotive parts industry generally and in certain product or geographic areas specifically.***

The automotive parts industry is highly competitive. Although the overall number of competitors has decreased due to ongoing industry consolidation, we face significant competition within each of our major product areas, including from new competitors entering the markets that we serve, and OEMs that may seek to integrate vertically. The principal competitive factors include price, quality, global presence, service, product performance, design and engineering capabilities, new product innovation and timely delivery. We cannot assure you that we will be able to continue to compete favorably in these competitive markets or that increased competition will not have a material adverse effect on our business by reducing our ability to increase or maintain sales and profit margins.

We principally compete for new business projects at the beginning of the development of new models and upon the redesign of existing models by major OEM customers. In some cases, a number of our major OEM customers manufacture products that we currently produce, thereby eliminating an opportunity for us to bid for the production. New model development generally begins three to five years prior to the marketing of such models to the public. Redesign of existing models begins during the life cycle of a platform, usually at least two to three years before the end of the platform's life cycle. The failure to obtain new business projects on new models or to retain or increase business projects on redesigned existing models, could adversely affect our business, financial condition, results of operations, and cash flows. In addition, as a result of the relatively long lead times required for many of our structural components, it may be difficult in the short-term for us to obtain new revenues to replace any unexpected decline in the sale of existing products.

***Shifts in market shares among vehicles or vehicle segments or shifts away from vehicles on which we have significant content could have a material adverse effect on our profitability.***

While we supply parts for a wide variety of vehicles produced globally, we do not supply parts for all vehicles produced, nor is the number or value of parts evenly distributed among the vehicles for which we do supply parts. Shifts in market shares among vehicles or vehicle segments, particularly shifts away from vehicles on which we have significant content and shifts away from vehicle segments in which our sales may be more heavily concentrated, could have a material adverse effect on our profitability.

***Our inability to offset price concessions or additional costs from our customers could have an adverse effect on our profitability.***

We face ongoing pricing pressure, as well as pressure to absorb costs related to product design, engineering and tooling, as well as other items previously paid for directly by OEMs. Typically, in line with our industry practice, our customers benefit from price reductions during the life cycle of a contract. We expect to offset these price concessions by achieving production efficiencies, however, we cannot guarantee that we will do so. If we fail to achieve production efficiencies to fully offset price concessions or do not otherwise offset such price concessions, our profitability and results of operations would be adversely affected.

***We may incur material costs related to plant closings, which could have a material adverse impact on our business, financial condition, results of operations and cash flows.***

If we are forced to close manufacturing locations because of loss of business or consolidation of manufacturing facilities, the employee severance, asset retirement and other costs, including reimbursement costs relating to public subsidies, to close these facilities may be significant. In certain locations that are subject to leases, we may continue to incur material costs consistent with the initial lease terms. We continually attempt to align production capacity with demand; therefore, we cannot assure you that additional plants will not have to be closed.

***The construction and maintenance of our facilities entails certain risks.***

The construction and maintenance of our facilities entails certain difficulties, both from a technical perspective as well as in terms of the timing of the various construction phases. A number of problems may arise in relation to our facilities, such as interruptions or delays due to failed deliveries by suppliers or manufacturers, problems with connecting to the utilities networks, construction faults, problems linked to the operation of equipment, adverse weather conditions, unexpected delays in obtaining or sourcing permits and authorizations, or longer-than-expected periods for technical adjustments. The additional costs that may arise in the maintenance of facilities may adversely affect our business operations, financial position and operational results.

***Mechanical failure, equipment shutdowns and technological breakdown could adversely affect our business.***

We are subject to mechanical failure and equipment shutdowns which may be beyond our control. If a section of one of our facilities is damaged or shuts down, it could cause a mechanical failure or equipment shutdown in other components of such facility. If such events occur, our production capacity may be materially and adversely impacted. In the event that we are forced to shut down any of our sites for a significant period of time, it would have a material adverse effect on our business operations, financial position and operational results.

***Interruptions in the supply of utilities to our facilities may negatively affect our operations***

We are reliant upon a continuous and uninterrupted supply of electricity, gas and water to our facilities to ensure the continued operation of our production lines and supply chain. An interruption to the supply of any of these utilities, even in the short term, including but not limited to a trip in the electricity grid, a gas leak or issues with local water mains, could cause equipment shutdowns, mechanical failures and/or damage to our facilities and equipment which could materially and adversely impact our business operations, operational results and financial position.

***Our ongoing operations may require increased capital expenditure at certain stages that will consume cash from our operations and borrowings.***

In order to maintain our product lines for existing products, from time to time, we are required to make certain operational and maintenance-related capital expenditure on our facilities. Our ability to undertake such operational and maintenance measures largely depends on our cash flow from our operations and access to capital. We intend to continue to fund our cash needs through cash flow from operations. However, there may be unforeseen capital expenditure needs for which we may not have adequate capital. The timing of capital expenditures also may cause fluctuations in our operational results.

***Our profitability may be adversely affected by program launch difficulties.***

From time to time we are awarded new or takeover business by our customers. The launch of new business is a complex process, the success of which depends on a wide range of factors, including the production readiness of our and our suppliers' manufacturing facilities and manufacturing processes, as well as factors related to tooling, equipment, employees, initial product quality and other factors. Our failure to successfully launch material new or takeover business could have an adverse effect on our profitability.

***There are integration and consolidation risks associated with potential future acquisitions and divestitures. Future acquisitions and divestment may result in significant transaction expenses, unexpected liabilities and a negative impact on operations and/or cash flows. Future acquisitions may result in risks associated with entering new markets, and we may be unable to profitably operate the acquired businesses.***

We have a history of making strategic acquisitions and divestitures and in the future we may consider and make further strategic acquisitions of suitable acquisition candidates in markets where we currently operate as well as in markets in which we have not previously operated. We may also consider and make strategic divestitures where this is in line with our strategy.

However, we may not be able to identify suitable acquisition candidates in the future, or may not be able to finance such acquisitions on favorable terms. We may lack sufficient management, financial and other resources to successfully integrate future acquisitions or to ensure that such future acquisitions will perform as planned or prove to be beneficial to our operations. Acquisitions and divestitures involve numerous other risks, including the diversion of our management's attention from other business concerns, undisclosed risks impacting the target and potential adverse effects on existing business relationships with current customers and suppliers. In addition, any acquisitions or divestitures could impact our financial position, cash-flow or create dilution for our stockholders. In certain transactions, our acquisition analysis includes assumptions regarding the consolidation of operations and improved operating cost structures for the combined operations. Such synergies or benefits may not be achieved on the assumed time schedule or in the assumed amount, if at all. Any future acquisitions may result in significant transaction expenses, unexpected liabilities and risks associated with entering new markets in addition to the integration and consolidation risks.

As a result of our acquisitions or divestments, we may assume continuing obligations, deferred payments and liabilities. Any past or future acquisitions may result in exposure to third parties for liabilities, such as liability for faulty work done by the acquired business and liability of the acquired business or assets that may or may not be adequately covered by insurance or by indemnification, if any, from the former owners of the acquired business or assets. The occurrence of any of these liabilities could have a material adverse effect on our business and results of operations.

***We do not control certain of our joint ventures.***

We have a number of strategic partnerships and joint ventures and alliances in which we hold a non-controlling interest. For example, we have entered into a Turkish joint venture in Beyçelik in which we

have a 50% interest. We also hold 50% interests in several entities in India and China. There can be no assurance that the arrangements will be successful and/or achieve their planned objectives. The performance of all such operations in which we do not have a controlling interest will depend on the financial and strategic support of the other shareholders. Such other shareholders may make ill-informed or inadequate management decisions, or may fail to supply or be unwilling to supply the required operational, strategic and financial resources, which could materially adversely affect these operations. If any of our strategic partners were to encounter financial difficulties, change their business strategies or no longer be willing to participate in these strategic partnerships, joint ventures and alliances, our business, financial condition and results of operations could be materially adversely affected.

Moreover, in some of these businesses, we may not have the power to control the payment of dividends or other distributions, so even if the business is performing well, we may not be able to receive payment of our share of any profits. Finally, there could be circumstances in which we may wish or be required to acquire the ownership interests of our partners, and there can be no assurance that we will have access to the funds necessary to do so, on commercially reasonable terms or at all.

***The estimates of our return on investment may be inaccurate which could negatively impact upon our results.***

While returns on investments are not guaranteed, in assessing a new investment or acquisition, as part of our internal decision making methodology, one of the factors we consider is whether we believe that the investment may result in an internal rate of return to us of approximately 15%. Due to a number of the risk factors set out in this section, our investment methodology may prove to be materially inaccurate which could negatively impact our results of operations, cash flows and financial condition.

***The value of our deferred tax assets could become impaired, which could materially and adversely affect our operating results.***

As of December 31, 2012, we had approximately €174.3 million in net deferred income tax assets. These deferred tax assets include net operating loss carry forwards that can be used to offset taxable income in future periods and reduce income taxes payable in those future periods. We periodically determine the probability of the realization of deferred tax assets, using significant judgments and estimates with respect to, among other things, historical operating results, expectations of future earnings and tax planning strategies. If we determine in the future that there is not sufficient positive evidence to support the valuation of these assets, due to the factors described above or other factors, we may be required to adjust the valuation allowance to reduce our deferred tax assets. Such a reduction could result in material non-cash expenses in the period in which the valuation allowance is adjusted and could have a material adverse effect on our results of operations. Our ability to utilize our net operating loss carry forwards may be limited and delayed. In addition, adverse changes in the underlying profitability and financial outlook of our operations in several foreign jurisdictions could lead to changes in our valuation allowances against deferred tax assets and other tax accruals that could adversely affect our financial results.

On April 15, 2013 the Spanish Tax Administration concluded the tax audit of our subsidiary, Gestamp Servicios, S.A. Among other things, the Spanish tax authority reviewed the corporate income tax for the fiscal years 2007 to 2010, which resulted in the reduction of some of the deferred tax assets recorded in our subsidiary's financial statements. The above-mentioned figure of €174.3 million includes the result of the tax audit. In particular, within the scope of the tax audit, the Spanish tax authorities have reviewed the transfer pricing policy and the documentation of the group and no significant contingency from transfer pricing has been identified.

***We have a material amount of goodwill, which, if it becomes impaired, would result in a reduction in our net income and equity.***

Goodwill represents the excess of the cost of an acquisition over the fair value of the net assets acquired. IFRS requires that goodwill be periodically evaluated for impairment based on the fair value of the reporting unit. Declines in our profitability or the value of comparable companies may impact the fair value of our reporting units, which could result in a write-down of goodwill and a reduction in net income.

As of December 31, 2012, we had approximately €136.2 million of goodwill on our consolidated balance sheet that could be subject to impairment. In addition, if we acquire new businesses in the future, we may recognize additional goodwill, which could be significant. We could also be required to recognize additional impairments in the future and such an impairment charge could have a material adverse effect on our financial position and results of operations in the period of recognition.



***We are subject to risks related to our international operations.***

Our international operations include manufacturing facilities in, among other locations, Brazil, China, India, Russia and Mexico, and we sell our products in each of these areas. For the year ended December 31, 2012, approximately 33.8% of our revenues were derived from operations in growth economies. International operations are subject to various risks that could have a material adverse effect on those operations and our business as a whole, including but not limited to:

- exposure to local economic and social conditions, including logistical and communication challenges;
- exposure to local political conditions, including political disputes, coups, the risk of seizure of assets by a foreign government, increased risk of fraud and political corruption, terrorism, acts of war or similar events;
- exposure to local public health issues and the resultant impact on economic and political conditions;
- exposure to potentially undeveloped legal systems which make it difficult to enforce contractual rights and to potentially adverse changes in laws and regulatory practices;
- exposure to local tax requirements and obligations;
- foreign currency exchange rate fluctuations and currency controls;
- greater risk of uncontrollable accounts and longer collection cycles;
- the risk of government-sponsored competition;
- controls on the repatriation of cash, including the imposition or increase of withholding and other taxes on remittances and other payments by foreign subsidiaries; and
- export and import restrictions.

***We are exposed to risks in relation to compliance with anti-corruption laws and regulations and economic sanction programs***

Our international operations require us to comply with the laws and regulations of various jurisdictions. In particular, our international operations are subject to anti-corruption laws and regulations, such as the U.S. Foreign Corrupt Practices Act of 1977 and the United Kingdom Bribery Act of 2010, and economic sanction programs, including those administered by the UN, EU and Office of Foreign Asset Control in the United States. These laws prohibit improper business conduct and restrict us from dealing with certain sanctioned countries.

As a result of our international operations, we are exposed to the risk of violating anti-corruption laws and sanctions regulations applicable in those countries where we operate. Some of the countries in which we operate lack as developed a legal system as other locations and are perceived to have high levels of corruption. Our continued geographical diversification, including in growth economies, development of joint venture relationships worldwide and our employment of local agents in the countries in which we operate increases the risk of violations of anti-corruption laws, sanctions, or similar laws. Violations of anti-corruption laws and sanctions regulations are punishable by civil penalties, including fines, denial of export privileges, injunctions, asset seizures, debarment from government contracts (and termination of existing contracts) and revocations or restrictions of licenses, as well as criminal fines and imprisonment. In addition, any major violations could have a significant impact on our reputation and consequently on our ability to win future business.

We have policies and procedures designed to assist our compliance with applicable laws and regulations including training of our employees to comply with such laws and regulations. While we have a strong culture of compliance and have adequate systems of control, we seek to continuously improve our systems of internal controls, to remedy any weaknesses that are identified through appropriate corrective action depending on the circumstances, including additional training, improvement of internal controls and oversight, and deployment of additional resources and to take appropriate action in case of any breach of our rules and procedures which might include disciplinary measures, suspensions of employees and ultimately termination of such employees. There can be no assurance, however, that our policies and procedures will be followed at all times or will effectively detect and prevent violations of the applicable laws by one or more of our employees, consultants, agents or partners and, as a result, we could be subject to penalties and material adverse consequences on its business, financial condition or results of operations if it failed to prevent any such violations.

***Foreign exchange rate fluctuations could cause a decline in our financial condition, results of operations and cash flows.***

Although our reporting currency is the Euro, a portion of our sales and operating costs are realized in other currencies, such as the Chinese Yuen or the Russian Ruble. In the year ended December 31, 2012, €3,171.9 million of our revenues (which represented approximately 55.1% of our revenue for that period), on a consolidated basis, were generated in currencies other than the Euro.

We are subject to risk if the foreign currency in which our costs are paid appreciates against the currency in which we generate revenues because the appreciation effectively increases our cost in that country. The financial condition, results of operations and cash flows of some of our operating entities are reported in foreign currencies and then translated into Euros at the applicable foreign exchange rate for inclusion in our consolidated financial statements. As a result, appreciation of the Euro against these foreign currencies generally will have a negative impact on our reported sales and profits while depreciation of the Euro against these foreign currencies will generally have a positive effect on reported revenues and profits.

Significant long-term fluctuations in relative currency values, in particular a significant change in the relative values of the Chinese Yuan or the Russian Ruble could have an adverse effect on our profitability and financial condition and any sustained change in such relative currency values could adversely impact our competitiveness in certain geographic regions.

Economic instability in the countries in which we operate where the Euro is not the local currency and the related decline in the value of the relevant local currency in these countries could have a material adverse effect on our business, financial condition, results of operations and cash flows.

In jurisdictions where the prevailing currency is subject to significant volatility, in the contracts we enter into in these jurisdictions we seek to nominate an alternative functional currency, typically either the Euro or U.S. Dollar, to seek to minimize the impact of any exchange rate fluctuations. In the year ended December 31, 2012, we made a loss of €26.4 million on foreign exchange rate translations to our reporting currency.

***Our hedging and other derivative arrangements may not effectively or sufficiently offset the negative impact of foreign exchange rate fluctuations.***

We may use a combination of natural hedging techniques and financial derivatives to protect against certain foreign currency exchange rate risks. Such hedging activities may be ineffective or may not offset more than a portion of the adverse financial impact resulting from foreign currency variations. Gains or losses associated with hedging activities also may negatively impact operating results.

***We have invested substantial resources in markets where we expect growth and we may be unable to timely alter our strategies should such expectations not be realized.***

Our future growth is dependent on our making the right investments at the right time to support product development and manufacturing capacity in areas where we can support our customer base. We have identified certain markets including the US, Mexico, Brazil, Turkey, Russia, China, India and Thailand as key markets where we are likely to experience substantial growth, and accordingly have made and expect to continue to make substantial investments, both directly and through participation in various partnerships and joint ventures to support anticipated growth in those regions. If we are unable to deepen existing and develop additional customer relationships in these regions, we may not only fail to realize expected rates of return on our existing investments, but we may incur losses on such investments and be unable to timely redeploy the invested capital to take advantage of other markets, potentially resulting in lost market share to our competitors. Our results will also suffer if these regions do not grow as quickly as we anticipate.

***Changes in our mix of earnings between jurisdictions with lower tax rates and those with higher tax rates could have a material adverse effect on our profitability.***

Our effective tax rate varies in each country in which we conduct business. Changes in our mix of earnings between jurisdictions with lower tax rates and those with higher tax rates could have a material adverse effect on our profitability.

***Our profitability may be materially adversely affected by our inability to utilize tax losses or because of tax exposures we face.***

We have incurred losses in some countries which we may not be able to fully or partially offset against income we have earned in those countries. In some cases, we may not be able to utilize these losses at all if we cannot generate profits in those countries or if we have ceased conducting business in those countries altogether. Our inability to utilize material tax losses could materially adversely affect our profitability. At any given time, we may face other tax exposures arising out of changes in tax laws, tax reassessments or otherwise. To the extent we cannot implement measures to offset these exposures, they may have a material adverse effect on our profitability.

***Loss of key executives and failure to attract qualified management could limit our growth and negatively impact our operations.***

We have a management team with a substantial amount of expertise in the automotive industry. Loss of key members of management could result in the loss of valuable customer relationships and/or less or unsuccessful implementation of strategies.

***Availability of labor in some of the areas in which we operate could negatively impact our operations***

When establishing and operating facilities in some growth economies, we may encounter difficulties with the availability of labor. In some instances we may compete with our customers for qualified employees in a limited labor pool of adequately trained workers. Performing work in these areas and under these circumstances can slow our progress, potentially causing us to incur contractual liabilities to our customers. These circumstances may also cause us to incur additional, unanticipated costs that we might not be able to pass on to our customers.

***Our profitability could be negatively impacted if we are not able to maintain appropriate utilization of our workforce.***

The extent to which we utilize our workforce affects our profitability. If we under-utilize our workforce, our project profits and overall profitability suffer in the short-term. If we over-utilize our workforce, we may negatively impact safety, employee satisfaction and project execution, which could result in a decline of future project awards. The utilization of our workforce is impacted by numerous factors including:

- our estimate of the headcount requirements for various manufacturing units based upon our forecast of the demand for our products;
- our ability to maintain our talent base and manage attrition;
- our ability to schedule our portfolio of projects to efficiently utilize our employees and minimize production downtime;
- our need to invest time and resources into functions such as training, business development, employee recruiting, and sales that are not chargeable to customer projects; and
- the degree of structural flexibility of labor laws in countries where our employees are located.

***The workforce in the automotive industry is highly unionized and if we fail to extend or renegotiate our collective bargaining agreements with our labor unions as they expire from time to time, or if our employees, or our customers' employees, engage in work stoppages and other labor problems, this could result in a material adverse effect.***

As of December 31, 2012, we had 30,313 employees, the majority of whom were covered under collective bargaining agreements on a plant-by-plant basis and that expire at various times. In addition, we have specific exposure to labor strikes in our international operations related primarily to the economic instability in several countries in the European Union. If major work disruptions involving our employees were to occur, our business could be adversely affected by a variety of factors, including a loss of revenues, increased costs and reduced profitability. We cannot assure you that we will not experience a material labor disruption at one or more of our facilities in the future in the course of renegotiation of our labor arrangements or otherwise. We cannot guarantee that we will be able to successfully extend or renegotiate our collective bargaining agreements as they expire from time to time. If we fail to extend or renegotiate any of our collective bargaining agreements or are only able to renegotiate them on terms that are less favorable to us, we may need to incur additional costs, which could have a material adverse effect on our business, financial condition and results of operations.

Further, many of the manufacturing facilities of our customers and suppliers are unionized and are subject to the risk of labor disruptions from time to time. A significant labor disruption could lead to a lengthy shutdown of our customers' or our suppliers' production lines, which could have a material adverse effect on our operations and profitability.

***A shift away from technologies in which we invest could have a material adverse effect on our profitability and financial condition.***

Our business requires a high level of technical expertise for the development and manufacture of our products. We invest in technology and innovation which we believe will be critical to our long-term growth and we need to continually adapt our expertise in response to technological innovations, industry standards, product instructions and customer requirements. Our ability to anticipate changes in technology and to successfully develop and introduce new and enhanced products or manufacturing processes on a timely basis will be a significant factor in our ability to remain competitive. New technologies or changes in industry and customer requirements may render one or more of our current offerings obsolete, excessively costly or otherwise unmarketable. If there is a shift away from the use of technologies in which we are investing, our costs may not be fully recovered. We may be placed at a competitive disadvantage if other technologies emerge as industry-leading technologies, which could have a material adverse effect on our prospects for growth, profitability and financial condition.

***Legal or regulatory claims or investigations against us could have a material adverse effect on our financial position.***

From time to time, we may become involved in legal or regulatory proceedings, claims or investigations, including by governmental bodies, customers, suppliers, former employees, class action plaintiffs and others. On an ongoing basis, we attempt to assess the likelihood of any adverse judgments or outcomes to these proceedings or claims, although it is difficult to predict final outcomes with any degree of certainty.

Except as disclosed from time to time in our consolidated financial statements, we do not believe that any of the proceedings or claims to which we are party will result in costs, charges or liabilities that will have a material adverse effect on our financial position. However, we cannot assure you that the costs, charges and liabilities associated with these matters will not be material, or that those costs, charges and liabilities will not exceed any amounts reserved for them in our consolidated financial statements. In future periods, we could be subject to cash costs or non-cash charges to earnings if any of these matters are resolved unfavorably to us.

***Product liability claims and warranty and recall costs could cause us to incur losses and damage our reputation.***

Many of our products are critical to the structural integrity of a vehicle. As such, we face an inherent business risk of exposure to product liability claims in the event of the failure of our products to perform to specifications, or if our products are alleged to result in property damage, bodily injury or death. We are generally required under our customer contracts to indemnify our customers for product liability claims in respect of our products. Accordingly, we may be materially and adversely impacted by product liability claims.

If any of our products are, or are alleged to be, defective, we may be required to participate in a recall involving those products. In addition, our customers demand that we bear the cost of the repair and replacement of defective products which are either covered under their warranty or are the subject of a recall by them. Warranty provisions are established based on our best estimate of the amounts necessary to settle existing or probable claims on product defect issues. Recall costs are costs incurred when government regulators or our customers decide to recall a product due to a known or suspected performance issue and we are required to participate either voluntarily or involuntarily. Currently, under most customer agreements, we only account for existing or probable warranty claims. Under certain complete vehicle engineering and assembly contracts, we record an estimate of future warranty-related costs based on the terms of the specific customer agreements and the specific customer's warranty experience. Because we have never been the cause of a vehicle recall nor suffered any product recalls or liability damages, we have no warranty and recall data which allows us to establish accurate estimates of, or provisions for, future warranty or recall costs relating to new products, assembly programs or technologies being brought into production. In addition, we do not have insurance covering product recalls. The obligation to repair or replace such products could have a material adverse effect on our profitability and financial condition.

A decrease in actual and perceived quality of our products could damage our image and reputation and also the image and reputation of one or more of our brands. Defective products could result in loss of sales, loss of customers and loss of market acceptance. In turn, any major defect in one of our products could also have a material adverse effect on our reputation and market perception, which in turn could have an adverse effect on our sales and results of operations.

***Our operations expose us to the risk of material health and safety liabilities.***

The nature of our operations subjects us to various statutory compliance and litigation risks under health, safety and employment laws. We cannot guarantee that there will be no accidents or incidents suffered by our employees, our contractors or other third parties on our sites. If any of these incidents occur, we could be subject to prosecutions and litigation, which may lead to fines, penalties and other damages being imposed on us and cause damage to our reputation. Such events could have a material adverse effect on our business operations, financial position and operational results.

***We are subject to environmental requirements and risks as a result of which we may incur significant costs, liabilities and obligations.***

We are subject to a variety of environmental and pollution control laws, regulations and permits that govern, among other things, soil, surface water and groundwater contamination; the generation, storage, handling, use, disposal and transportation of hazardous materials; the emission and discharge of materials, including greenhouse gases, or GHGs, into the environment; and health and safety. If we fail to comply with these laws, regulations or permits, we could be fined or otherwise sanctioned by regulators or become subject to litigation. Environmental and pollution control laws, regulations and permits, and the enforcement thereof, change frequently, have tended to become more stringent over time and may necessitate substantial capital expenditures or operating costs.

We are also subject to environmental laws requiring investigation and clean-up of environmental contamination and are in various stages of investigation and clean-up at one of our manufacturing facilities where contamination has been alleged. Estimating environmental clean-up liabilities is complex and heavily dependent on the nature and extent of historical information and physical data relating to the contaminated sites, the complexity of the contamination, the uncertainty of which remedy to apply and the outcome of discussions with regulatory authorities relating to the contamination. In addition, these environmental laws and regulations are complex, change frequently and have tended to become more stringent and expensive over time. Therefore, we may not have been, and in the future may not be, in complete compliance with all such laws and regulations and we may incur material costs or liabilities as a result of such laws and regulations significantly in excess of amounts we have reserved. In addition to potentially significant investigation and cleanup costs, contamination can give rise to third-party claims for fines or penalties, natural resource damages, personal injury or property damage.

We cannot assure you that our costs, liabilities and obligations relating to environmental matters will not have a material adverse effect on our business, financial condition, results of operations and cash flows.

***We may not be adequately insured.***

We currently have insurance arrangements in place for products and public liability, property damage, business interruption (including for sudden and unexpected environmental damage). However, these insurance policies may not cover any losses or damages resulting from the materialization of any of the risks we are subject to. Further, significant increases in insurance premiums could reduce our cash flow. It is also possible in the future that insurance providers may no longer wish to insure businesses in our industry against certain environmental occurrences.

***Significant changes in laws and governmental regulations could have an adverse effect on our profitability.***

The legal, regulatory and industry-standard environment in our principal markets is complex and dynamic, and future changes to the laws, regulations and market practice as regards, for example, CO<sub>2</sub> emissions and safety tests and protocols, could have an adverse effect on the products we produce and our profitability. Additionally, we could be adversely affected by changes in tax or other laws which impose additional costs on automobile manufacturers or consumers, or more stringent fuel economy and emissions requirements on manufacturers, of sport-utility vehicles, light trucks and other vehicles from which we derive some of our sales.



*We may face risks relating to climate change that could have an adverse impact on our business.*

Greenhouse gas (“GHG”) emissions have increasingly become the subject of substantial international, national, regional, state and local attention. GHG emission regulations have been promulgated in certain of the jurisdictions in which we operate, and additional GHG requirements are in various stages of development. For example, the United States Congress has considered legislation that would establish a nationwide limit on GHGs. In addition, the EPA has issued regulations limiting GHG emissions from mobile and stationary sources pursuant to the federal Clean Air Act. When effective, such measures could require us to modify existing or obtain new permits, implement additional pollution control technology, curtail operations or increase our operating costs. In addition, our OEM customers may seek price reductions from us to account for their increased costs resulting from GHG regulations. Further, growing pressure to reduce GHG emissions from mobile sources could reduce automobile sales, thereby reducing demand for our products and ultimately our revenues. Thus, any additional regulation of GHG emissions, including through a cap-and-trade system, technology mandate, emissions tax, reporting requirement or other program, could adversely affect our business, results of operations, financial condition, reputation, product demand and liquidity.

*Natural disasters could disrupt our supply of products to our customers which could have a material adverse effect on our operations and profitability.*

Our manufacturing facilities are subject to risks associated with natural disasters, including fires, floods, hurricanes and earthquakes. The occurrence of any of these disasters could cause the total or partial destruction of a manufacturing facility, thus preventing us from supplying products to our customers and disrupting production at their facilities for an indeterminate period of time. The inability to promptly resume the supply of products following a natural disaster at a manufacturing facility could have a material adverse effect on our operations and profitability.

*Terrorist attacks and other acts of violence or war or political changes in geographical areas where we operate may affect our business and results of operations.*

Terrorist attacks and other acts of violence or war may negatively affect our business and results of operations. There can be no assurance that there will not be terrorist attacks or violent acts that may directly impact us, our customers or partners. In addition, political changes in certain geographical areas where we operate may affect our business and results of operations. Any of these occurrences could cause a significant disruption in our business and could adversely affect our business operations, financial position and operational results.

#### **Risks related to the notes**

*The Collateral is limited to the pledge of shares in certain of the Guarantors and the notes are secured only to the extent of the value of the Collateral; such security may not be sufficient to satisfy the obligations under the notes and the Guarantees.*

The holders of the notes are secured by the Collateral which consists only of a pledge of the shares in certain of the Guarantors of the notes. The Collateral also secures, on a first ranking basis, the finance parties under the Senior Facilities and the creditors under certain of our Existing Debt Facilities. Subject to certain limits, the Indenture permits additional debt to be secured by the Collateral, and such additional secured debt may be substantial. The rights of a holder of notes to the Collateral may be diluted by any increase in the debt secured by the Collateral or a reduction of the Collateral securing the notes. If there is an Event of Default (as defined in the Indenture) on the notes, there is no guarantee that the proceeds of any sale of the Collateral will be sufficient to satisfy, and may be substantially less than, amounts due under the notes as well as other debt benefiting from a *pari passu* security interest in the Collateral, including indebtedness under the Senior Facilities. The amount of proceeds realized upon the enforcement of the security interests over the Collateral or in the event of liquidation will depend upon many factors, including, among others, the availability of buyers. Furthermore, there may not be any buyer willing and able to purchase our business or pledged subsidiaries, either individually or collectively. The book value of the Collateral should not be relied on as a measure of realizable value for such assets.

***The Parent Guarantor has control over the Collateral securing the notes, and the sale of particular assets could reduce the pool of assets securing the notes.***

The Security Documents allow the Parent Guarantor to remain in possession of, retain exclusive control over, and collect and invest any dividends and other distributions from the Collateral. So long as no default or event of default under the Indenture would result therefrom, the Parent Guarantor may, subject to the terms of the Indenture, without any release or consent by the Security Agent, dispose of the Collateral (which shall remain subject to the pledges in respect thereto notwithstanding any such disposal).

***It may be difficult to realize the value of the Collateral securing the notes.***

By its nature, the Collateral does not have a readily ascertainable market value and may not be saleable or, if saleable, there may be substantial delays in its disposal. The terms of the Intercreditor Agreement provide that decisions regarding enforcement are made by the holders of the notes and lenders holding, collectively, a majority in aggregate principal amount of the obligations secured by the Collateral. As a result, holders of the notes may not solely control decisions in respect to the Collateral, including timing of enforcement and such other secured parties may have interests that are not the same as those of holders of the notes. To the extent that liens, security interests and other rights granted to other parties encumber assets owned by the Guarantors whose shares form part of the Collateral, those parties have or may exercise rights and remedies with respect to the property subject to their liens, security interests or other rights that could adversely affect the value of that Collateral and the ability of the Security Agent, acting on behalf of the Trustee or investors as holders of the notes to realize or enforce that Collateral. If the proceeds of any sale of Collateral are not sufficient to repay all amounts due on the notes and the Guarantees, investors (to the extent not repaid from the proceeds of the sale of the Collateral) would have only an unsecured claim against the Issuer's and the Guarantors' remaining assets. Each of these factors or any challenge to the validity of the Collateral or the Intercreditor Agreement could reduce the proceeds realized upon enforcement of the Collateral.

The Collateral securing the notes is subject to any and all encumbrances, liens and other imperfections permitted under the Indenture and/or the Intercreditor Agreement. The existence of any such encumbrances, liens and other imperfections could adversely affect the value of the Collateral securing the notes, as well as the ability of the Security Agent to realize or foreclose on such Collateral.

***The security interests in the Collateral are not directly granted to the holders of the notes.***

The security interests in the Collateral that secure, amongst other obligations, the obligations of the Parent Guarantor under the Guarantee are not granted directly to the holders of the notes but are granted only in favor of the Security Agent on behalf of the Trustee and the holders of the notes in accordance with the Indenture, the Intercreditor Agreement and the security documents related to the Collateral. Holders of the notes do not have direct security interests and are not entitled to take enforcement action in respect of the Collateral securing the notes, except through the Trustee, who will (subject to the provisions of the Indenture and the Intercreditor Agreement) provide instructions to the Security Agent in respect of the Collateral.

***The granting of guarantees by Spanish companies is restricted by Spanish law.***

Spanish law imposes a restriction on the granting of guarantees by Spanish guarantors under Spanish law-governed security documents such that guarantees in respect of obligations under such security documents shall not include nor extend to any obligations or amounts that would render such guarantees in contravention of sections 143.2, 149 or 150 of the Spanish Capital Companies Act (*Real Decreto Legislativo 1/2010, de 2 de julio, por el que se aprueba el texto refundido de la Ley de Sociedades de Capital*). In particular, no Spanish guarantee may secure any payment, prepayment, repayment or reimbursement obligations derived from any finance document used, or that may be used, for the purposes of payment of acquisition debt (for the purposes of Section 143.2, 149 or 150 of the Spanish Companies Act) or the payment of any costs or transaction expenses related to, or paying the purchase price for, such acquisition.

***The enforcement of the Collateral may be restricted by Spanish law.***

Spanish Insolvency Law imposes a moratorium on the enforcement of secured creditors' rights (*in rem* security) in the event of insolvency. Once the debtor is declared insolvent, the enforcement of security interests over assets owned by the debtor and used for its professional or business activities (presumably most of the debtor's assets) is stayed until the first of the following circumstances occurs: (a) approval of a

creditors' composition agreement (unless the content has been approved by the favorable vote of the secured creditors, in which case it will be bound by whatever has been agreed in the composition agreement); or (b) one year has elapsed since the declaration of insolvency without liquidation proceedings being initiated. Enforcement will be stayed even if at the time of declaration of insolvency the notices announcing the public auction have been published. The stay will only be lifted when the court hearing the insolvency proceedings determines that the asset is not used for the debtor's professional or business activities or is not necessary for the survival of the debtor's business. When it comes to determining which assets of the debtor are used for its professional or business activities, courts have generally embraced a broad interpretation and will likely include most of the debtor's assets. Finally, enforcement of the Collateral will be subject to the provisions of Spanish Procedural Law and Spanish Insolvency Law (where applicable) and this may entail delays in the enforcement.

Applicable law requires that a security interest in certain assets can only be properly perfected (or registered or other foreign equivalent) and its priority retained through certain actions undertaken by the secured party. The liens on the Collateral securing the notes from time to time owned by us or the Guarantors may not be perfected (or registered or other foreign equivalent), which may result in the loss of the priority, or a defect in the perfection (or registration or other foreign equivalent), of the security interest for the benefit of the Trustee and holders of the notes to which they would have been otherwise entitled. Neither the Security Agent nor the Trustee will be obligated to create or perfect any of the security interests in the Collateral.

Spanish law does not contemplate the concept of "security agent". Although this by itself does not prohibit this agent to be set in place, the fact that there is a lack of regulation on the matter provides uncertainty as to how a Spanish court would recognize the acting of the Security Agent in an enforcement situation. Since holders of the notes will not have any independent power to enforce the Collateral securing the notes, except through the Security Agent following the instructions of the Trustee, there is some uncertainty as to whether a Spanish court would recognize the authority of the Security Agent or whether lack of recognition would entail delays in the enforcement or even the consequence of the Collateral not being able to be enforced on the same terms as provided for in the Security Documents.

For more information, please see "Enforceability of Civil Liabilities".

***The Collateral may be released without the consent of the holders of the notes.***

The Collateral may be released in certain circumstances, including in the event the Collateral is sold pursuant to an enforcement sale in accordance with the Intercreditor Agreement. Upon any such enforcement sale in accordance with the Intercreditor Agreement, such Guarantor's Guarantee may also be released. Please see "Description of the Notes—Release of Note Guarantees" and "Description of the Notes—Security—Release of Security Interests".

Additionally, the Indenture permits us to release and retake the security interest granted over the Collateral in order to issue additional notes pursuant to the Indenture. Upon the issuance of additional notes pursuant to the Indenture, there may be a time period imposed by applicable laws between the release and retaking of the security interest during which there is no security interest over the Collateral. In some circumstances, such as if we were to file for bankruptcy after the issuance of additional notes, a hardening period may apply and retroactively void the retaking of the security interest in favor of the holders of the notes. Accordingly, there is a risk that, should we issue additional notes pursuant to the Indenture, the Collateral could be released and its subsequent retaking voided. Please see "Description of the Notes—Certain Covenants—Impairment of Security Interest".

***Market perceptions concerning the instability of the euro, the potential re-introduction of individual currencies within the Eurozone, or the potential dissolution of the euro entirely, could adversely affect the value of the notes.***

Despite the creation of the ESM and the Fiscal Compact, concerns persist regarding the debt burden of certain Eurozone countries and their ability to meet future financial obligations, the overall stability of the euro and the suitability of the euro as a single currency given the diverse economic and political circumstances in individual Member States. These and other concerns could lead to the re-introduction of individual currencies in one or more Member States, including Spain, or, in more extreme circumstances, the possible dissolution of the euro entirely. Should the euro dissolve entirely, the legal and contractual consequences for holders of euro-denominated obligations would be determined by laws in effect at such time. These potential developments, or market perceptions concerning these and related issues, could adversely affect the value of the notes.

***Our substantial indebtedness may make it difficult for us to service our debt, including the notes, and to operate our business.***

We have a significant amount of indebtedness. As of December 31, 2012, as adjusted to give pro forma effect to this offering, the entering into of the Senior Facilities Agreement, the Mitsui Investment and the application of the estimated proceeds therefrom, we would have had €1,835.4 million of indebtedness, of which €766.0 million would have been represented by the notes. We anticipate that our substantial indebtedness will continue for the foreseeable future. Our substantial indebtedness may have important negative consequences for you, including:

- making it more difficult for us and our subsidiaries to satisfy our obligations with respect to our debt, including the notes and other liabilities;
- requiring that a substantial portion of the cash flow from operations of our operating subsidiaries be dedicated to debt service obligations, reducing the availability of cash flow to fund internal growth through working capital and capital expenditures, and for other general corporate purposes;
- increasing our vulnerability to economic downturns in our industry;
- exposing us to interest rate increases;
- placing us at a competitive disadvantage compared to our competitors that have less debt in relation to cash flow;
- limiting our flexibility in planning for or reacting to changes in our business and our industry;
- restricting us from pursuing strategic acquisitions or exploiting certain business opportunities; and
- limiting, among other things, our and our subsidiaries' ability to borrow additional funds or raise equity capital in the future and increasing the costs of such additional financings.

In the worst case, an actual or impending inability by us or our subsidiaries to pay debts as they become due and payable could result in our insolvency.

In addition, the Indenture and the Senior Facilities Agreement contain restrictions that substantially limit our financial and operational flexibility and that of our subsidiaries. In particular, these agreements place limits on our ability to incur additional indebtedness; grant security interests to third persons; dispose of material assets; undertake organizational measures such as mergers, changes of corporate form, joint ventures or similar transactions; and enter into transactions with related parties.

***Despite our current substantial indebtedness, we may be able to incur more debt in the future, including on a secured basis over the Collateral or otherwise, which could further exacerbate the risks of our indebtedness.***

We may incur more debt in the future. The revolving portion of our Senior Facilities Agreement provides for total commitments of up to €280.0 million, and no cash drawings were outstanding on the date the notes were issued. The Indenture and the Senior Facilities limit our ability to incur additional debt but do not prohibit us from doing so. We may incur additional debt in the future, secured by the Collateral or otherwise, which could mature prior to the notes, and such debt could be secured on an equal, rateable and *pari passu* basis with the notes and the Guarantees. Any non-Guarantor subsidiary could also incur additional debt, and the notes and Guarantees would be structurally subordinated to any such debt.

***The Issuer is dependent on payments from the Parent Guarantor to make payments on the notes and, in turn, the Parent Guarantor is dependent on payments from its subsidiaries in order to be able to make payments to the Issuer, and the Parent Guarantor's subsidiaries may not be permitted or otherwise able to make payments to the Parent Guarantor.***

Even if the Parent Guarantor's subsidiaries generate sufficient cash from their operations, their ability to provide funds to the Parent Guarantor and, therefore, the Parent Guarantor's ability to provide funds to the Issuer are subject to, among other things, local tax restrictions and local corporate law restrictions related to earnings, the level of legal or statutory reserves, losses from previous years and capitalization requirements for the Parent Guarantor's subsidiaries. As a result, although the Parent Guarantor may have sufficient resources, on a consolidated basis, to make the necessary payments to the Issuer in order for the Issuer to meet its obligations, the Parent Guarantor's subsidiaries may not be able to make the necessary transfers to it, and it to the Issuer, to permit the Issuer to satisfy its obligations under the notes or

otherwise. In particular, the Parent Guarantor's subsidiaries may be restricted from providing funds to it under some circumstances. These circumstances include:

- restrictions under the corporate law of the jurisdictions in which the Parent Guarantor's subsidiaries are based. The relevant laws could require, among other things, that its subsidiaries retain a certain percentage of annual net income in a legal reserve, that its subsidiaries maintain the share capital of a limited liability company and that, after payment of any dividend, the relevant subsidiary's shareholders' equity exceed its share capital. For example, Spanish law limits certain of the Parent Guarantor's subsidiaries' ability to provide funds to the Parent Guarantor due to restrictions that require, among other things, each of its Spanish subsidiaries to retain at least 10% of their annual net profit (*beneficio neto*) income in a legal reserve until the reserve reaches at least 20% of such company's share capital and that, after payment of any dividend, shareholders' equity must exceed the company's share capital. In addition, in order for Spanish companies to distribute dividends (i) available reserves must be equal to, or greater than, the R&D expenses appearing in the balance sheet of the company; and (ii) a non-disposable reserve equal to the goodwill appearing in the balance sheet of the company must be created. Moreover, the by-laws of each of the Parent Guarantor's Spanish subsidiaries may provide for additional reserves that must be retained prior to providing funds to it;
- restrictions under foreign exchange laws and regulations that could limit or tax the remittance of dividends or transfer payments abroad; and
- existing and future contractual restrictions, including restrictions in credit facilities, cash pooling arrangements and other indebtedness that affect the ability of the Parent Guarantor's subsidiaries to pay dividends or make other payments to it in the future.

***The Issuer may not be able to recover any amounts under its funding loans because its right to receive payments under such funding loans is subordinated to all third party liabilities of the Parent Guarantor.***

Under Spanish insolvency law, the funding loans between the Issuer of the notes and the Parent Guarantor will be classified as subordinated claims of the Parent Guarantor, meaning that in an insolvency proceeding they would be subordinated to the preferential and ordinary claims of the Parent Guarantor.

***We require a significant amount of cash to service our debt and for other general corporate purposes. Our ability to generate sufficient cash depends on many factors beyond our control.***

Our ability to make payments on our debt, and to fund working capital and capital expenditures, will depend on our future operating performance and ability to generate sufficient cash. This depends, to some extent, on general economic, financial, competitive, market, regulatory and other factors, many of which are beyond our control, as well as the other factors discussed in these "Risk Factors" and elsewhere in these listing particulars.

Our business may not generate sufficient cash flows from operations, and additional debt and equity financing may not be available to us in an amount sufficient to enable us to pay our debts when due, including the notes, or to fund our other liquidity needs. For a discussion of our cash flows and liquidity, please see "Operating and Financial Review and Prospects".

If our future cash flows from operations and other capital resources are insufficient to pay our obligations as they mature or to fund our liquidity needs, we may be forced to:

- reduce or delay our business activities and capital expenditures;
- sell assets;
- obtain additional debt or equity financing; or
- restructure or refinance all or a portion of our debt, including the notes, on or before maturity.

We may not be able to accomplish any of these alternatives on a timely basis or on satisfactory terms, if at all. In addition, the terms of our debt, including the Senior Facilities Agreement and the notes, and any future debt that we may incur, may limit our ability to pursue any of these alternatives.



***The Guarantees are significantly limited by applicable laws and are subject to certain limitations or defenses.***

The Guarantors will guarantee the payment of the notes as described in “Description of the Notes—The Note Guarantees.” The Guarantees provide the holders of the notes with a direct claim against the relevant Guarantor. However, the obligations of each Guarantor under its Guarantee are limited under the Indenture to an amount that has been determined so as to ensure that amounts payable will not result in violations of laws relating to corporate benefit, capitalization, capital preservation (under which, among others, the risks associated with a guarantee or grant of security on account of a parent company’s debt need to be reasonable and economically and operationally justified from the Guarantor’s or grantor’s perspective), thin capitalization, corporate purpose, financial assistance or transactions under value, or otherwise cause the Guarantor to be deemed insolvent under applicable law or such Guarantee to be deemed void, unenforceable or *ultra vires*, or cause the directors of such Guarantor to be held in breach of applicable corporate or commercial law for providing such Guarantee. If these limitations are not observed, the Guarantees and the grant of security interests by the Guarantors could be subject to legal challenge.

As a result, a Guarantor’s liability under its Guarantees could be materially reduced or eliminated depending upon the amounts of its other obligations and upon applicable laws. In particular, in certain jurisdictions, a guarantee issued by a company that is not in that company’s corporate interests or the burden of which exceeds the benefit to the company may not be valid and enforceable. It is possible that a Guarantor, a creditor of a Guarantor or the insolvency administrator, in the case of an insolvency of a Guarantor, may contest the validity and enforceability of the respective Guarantee and that the applicable court may determine that the Guarantee should be limited or voided. In the event that any Guarantee is deemed invalid or unenforceable, in whole or in part, or to the extent that agreed limitations on the Guarantee apply, the notes would not be guaranteed by such Guarantee.

For more information on the specific limitations under applicable law of the respective jurisdictions of incorporation of the Guarantors and certain contractual limitations to be confirmed in the Indenture, please see “Enforceability of Civil Liabilities”.

***Fraudulent conveyance laws may limit your rights as a holder of notes.***

Although laws differ among various jurisdictions, in general, under fraudulent conveyance laws, a court could subordinate or void a Guarantee if it found that:

- the Guarantee was incurred with an actual intent to hinder, delay or defraud creditors or shareholders of the Guarantor;
- the Guarantee was granted within two years prior to the insolvency declaration of the Guarantor and it is detrimental for the Guarantor’s state; or
- the Guarantor did not receive fair consideration or reasonably equivalent value for the Guarantee and the Guarantor:
- was insolvent or was rendered insolvent because of the Guarantee;
- was undercapitalized or became undercapitalized because of the Guarantee; or
- intended to incur, or believed that it would incur, debts beyond its ability to pay at maturity.

The measure of insolvency for purposes of fraudulent conveyance laws varies depending on the law applied. Generally, however, a Guarantor would be considered insolvent if it could not pay its debts as they become due. If a court decided that any Guarantee was a fraudulent conveyance and voided such Guarantee, or held it unenforceable for any other reason, you would cease to have any claim in respect of the Guarantor of such Guarantee and would be a creditor solely of the Issuer and the remaining Guarantors. Please see “Enforceability of Civil Liabilities”.

In an insolvency proceeding, it is possible that creditors of the Guarantors or the appointed insolvency administrator may challenge the Guarantees, and intercompany obligations generally, as fraudulent transfers or conveyances or on other grounds. If so, such laws may permit a court, if it makes certain findings, to: (i) avoid or invalidate all or a portion of a Guarantor’s obligations under its Guarantee; (ii) direct that holders of the notes return any amounts paid under a Guarantee to the relevant Guarantor or to a fund for the benefit of the Guarantor’s creditors; and (iii) take other action that is detrimental to you.

***Local insolvency laws may not be as favorable to you as the insolvency laws of another jurisdiction with which you may be more familiar.***

The Issuer is incorporated in Luxembourg, and the Guarantors are organized under the laws of other jurisdictions, including Spain. See “Summary—The Offering—Guarantors”. The insolvency laws of these other jurisdictions may not be as favorable to holders of the notes as the laws of some other jurisdictions with which you may be more familiar. Certain provisions of the insolvency laws in these jurisdictions could affect the ranking of the notes and the Guarantees or claims relating to the notes and the Guarantees on an insolvency of the Issuer or the Guarantors, as the case may be.

***Not all of our subsidiaries have guaranteed the notes, and any claim by us or any of our creditors, including the holders of the notes, against such non-Guarantor subsidiaries will be structurally subordinated to all of the claims of creditors of those non-Guarantor subsidiaries.***

Not all of our existing and future subsidiaries have guaranteed the notes. On a consolidated basis as of December 31, 2012, we had total assets of €4,691.1 million and total debt of €1,598.8 million. As of and for the year ended December 31, 2012, the subsidiaries of the Parent Guarantor guaranteeing the notes (including Edscha Santander, S.L., Edscha Burgos, S.L., Gestamp Toledo, S.L. and Gestamp Levante, S.L.) represent approximately 49.0% and 51.8% of our total consolidated assets and EBITDA, respectively. In addition, after giving pro forma effect to the offering, the entering into of the Senior Facilities Agreement, the Mitsui Investment and the application of the proceeds therefrom, the subsidiaries of the Parent Guarantor that have not guaranteed the notes would have had €232.2 million of debt outstanding as of December 31, 2012 on a consolidated basis. See “Description of Other Indebtedness”. The Indenture does not limit the transfer of assets to, or the making of investments in, any of our restricted group members, including our non-guarantor subsidiaries. Please see “Description of the Notes—Certain Covenants.” Accordingly, even though certain of our material subsidiaries are required to provide an additional Guarantee for the benefit of the notes pursuant to the Indenture, non-Guarantor subsidiaries could account for a higher portion of our assets, liabilities, revenues and net income in the future. See “Description of the Notes—Certain Covenants—Additional Note Guarantees”.

In the event that any of our non-Guarantor subsidiaries becomes insolvent, liquidates, reorganizes, dissolves or otherwise winds up, the assets of such non-Guarantor subsidiary will not be subject to claims from the holders of the notes to satisfy their respective credits against us and will be used first to satisfy the claims of the non Guarantor subsidiary’s creditors, including trade creditors, banks and other lenders. Consequently, any claim by us or our creditors against a non-Guarantor subsidiary will be structurally subordinated to all of the claims of the creditors of such non-Guarantor subsidiary.

***We may not have the ability to raise the funds necessary to finance a change of control offer.***

Upon the occurrence of certain change of control events as described in the Indenture, the Issuer will be required to offer to repurchase all of the notes in cash in an amount equal to 101% of the principal amount thereof, plus accrued and unpaid interest, if any, to the date of repurchase. The requirement that the Issuer offer to repurchase the notes upon a change of control is limited only to the transactions specified in the definition of “Change of Control” within the Indenture. Please see “Description of the Notes—Repurchase at the Option of Holders—Change of Control.” The Issuer may not have sufficient funds at the time of any such event to make the required repurchases. Additionally, certain change of control events would be prepayment events under the Senior Facilities Agreement. In the event this results in an event of default thereunder, the lenders under the Senior Facilities Agreement may accelerate such debt, which could also cause an event of default under the Indenture.

The source of funds for any repurchase required as a result of any such event will be available cash or cash generated from operating activities or other sources, including borrowings, sales of assets and sales of equity or funds provided by subsidiaries. Sufficient funds may not be available at the time of any such events to make any required repurchases of the notes tendered.

***You may be unable to enforce judgments against us, the Guarantors or our respective directors and officers.***

Neither the Issuer nor any of the Guarantors are incorporated in the United States. In addition, most of our assets are outside the United States and all of the Group’s directors and officers live outside the United States, primarily in Spain. The Issuer’s and the Guarantors’ auditors are also organized outside the United States. As a result, it may be difficult or impossible to serve process against any of these persons in the United States. Furthermore, because all or substantially all of the assets of these persons are located

outside of the United States, it may not be possible to enforce judgments obtained in courts in the United States predicated upon civil liability provisions of the federal securities laws of the United States against these persons. Additionally, there is doubt as to the enforceability in many foreign jurisdictions, including Spain, of civil liabilities based on the civil liability provisions of the federal or state securities laws of the United States against the Issuer, the Guarantors, the directors, controlling persons and management and any experts named in these listing particulars who are not residents of the United States. Please see “Enforceability of Civil Liabilities.”

***The interests of our ultimate controlling shareholders may be inconsistent with the interest of holders of the notes and/or our ultimate controlling shareholders may sell their stake in future.***

Our ultimate controlling shareholders are members of the Riberas family, of which the legal representative of our joint and several Managing Director (“*Consejero Delegado solidario*”), Gestamp Bizkaia, S.A., is a member. See “Shareholders and Certain Transactions”. As a result, our ultimate controlling shareholders have and will continue to have direct or indirect power, among other things, to influence our legal and capital structure and our day-to-day operations, as well as the ability to elect and change our management and to approve other changes to our operations. The interests of our ultimate controlling shareholders could conflict with your interests, particularly if we encounter financial difficulties or are unable to pay our debts when due. In addition, our controlling parties may, in the future, own businesses that directly compete with ours in certain respects or do business with us.

In addition, our controlling shareholders may suffer financial distress and may need to sell their stake in the Issuer. In order to avoid negative distortions to and minimize the volatility of our share price derived from any such sales, we may decide from time to time to acquire such shares for our treasury stock, which would result in a substantial cost for us and may affect our results of operations.

***There is no existing public trading market for the notes and the ability to transfer them is limited, which may adversely affect the value of the notes.***

The notes were a new issue. There is no existing trading market for the notes and there can be no assurance that a trading market for the notes will develop. We cannot predict the extent to which investor interest in our company will lead to the development of an active trading market or how liquid that trading market might become. Although the Initial Purchasers have advised us that they intend to make a market in the notes, they are not obligated to do so and may stop at any time. The market price of our notes may be influenced by many factors, some of which are beyond our control, including:

- changes in demand, the supply or pricing of our products;
- general economic conditions, including raw material prices;
- the activities of competitors;
- our quarterly or annual earnings or those of our competitors;
- investors’ perceptions of us and the automotive industry;
- the failure of securities analysts to cover our notes after this offering or changes in financial estimates by analysts;
- the public’s reaction to our press releases or our other public announcements;
- future sales of notes; and
- other factors described under these “Risk Factors”.

As a result of these factors, you may not be able to resell your notes at or above the initial offering price. In addition, securities trading markets experience extreme price and volume fluctuations that have often been unrelated or disproportionate to the operating performance of a particular company. These broad market fluctuations and industry factors may materially reduce the market price of our notes, regardless of our operating performance. If an active trading market does not develop, you may have difficulty selling any notes that you buy.

The notes have not been and will not be registered under the Securities Act or any U.S. securities laws and we have not undertaken to effect any exchange offer for the notes in the future. You may not offer the notes for sale in the United States except pursuant to an exemption from, or a transaction not subject to, the registration requirements of the Securities Act and applicable state securities laws, or pursuant to an

effective registration statement. The notes and the Indenture contain provisions that restrict the notes from being offered, sold or otherwise transferred except pursuant to the exemptions available pursuant to Rule 144A and Regulation S, or other exceptions under the Securities Act. Furthermore, we have not registered the notes under any other country's securities laws. It is your obligation to ensure that your offers and sales of the notes within the United States and other countries comply with applicable securities laws. Please see "Notice to Investors". In addition, by its acceptance of delivery of any notes, the holder thereof agrees on its own behalf and on behalf of any investor accounts for which it has purchased the notes that it shall not transfer the notes in an amount less than €100,000 and integral multiples of €1,000 thereafter (in the case of the Euro notes) and in an amount less than \$200,000 and integral multiples of \$1,000 thereafter (in the case of the Dollar notes).

## USE OF PROCEEDS

We estimate that the gross proceeds of this offering will be €766.0 million and the table below sets forth the expected sources and uses as if the transactions therein occurred on December 31, 2012.

Sources	(€millions)	Uses	(€millions)
Notes <sup>(1)</sup> . . . . .	766.0	Refinancing of existing facilities <sup>(4)(5)</sup> . .	1,099.0
Senior Facilities <sup>(2)</sup> . . . . .	570.0	Mexican Interest Repurchase <sup>(6)</sup> . . . . .	65.0
Mitsui Investment <sup>(3)</sup> . . . . .	297.0	Transaction costs . . . . .	30.0
		Cash on balance sheet <sup>(5)</sup> . . . . .	439.0
<b>Total</b> . . . . .	<b><u>1,633.0</u></b>	<b>Total</b> . . . . .	<b><u>1,633.0</u></b>

- (1) The offering consists of \$350.0 million of dollar denominated notes and €500.0 million of euro denominated notes. We have applied an exchange rate to calculate the aggregate proceeds of the notes in euro of \$1.316 to €1.00.
- (2) The Senior Facilities are comprised of senior term facilities with an aggregate principal amount of €570.0 million to be drawn on the date of the issuance of the notes and a revolving credit facility with an aggregate principal amount of €280.0 million which is expected to remain undrawn on the date of the issuance of the notes. See “Description of Other Indebtedness”.
- (3) The completion of the Mitsui Investment is subject to the satisfaction of certain conditions precedent, including obtaining certain regulatory approvals and our acquisition of the 35% interest in our Mexican subsidiaries that we do not currently own from Cofides, a Spanish quasi-governmental entity which supports foreign investment, which is expected to close before the end of June 2013.
- (4) For a description of the indebtedness being refinanced see “Description of Other Indebtedness—Debt being Repaid”.
- (5) Does not reflect the proceeds from the loan entered into in February 2013 with EBRD and its repayment in connection with this offering.
- (6) The Mexican Interest Repurchase consists of our acquisition of the 35% interest that we currently do not own in our Mexican operations from Cofides, a Spanish quasi-governmental entity which supports foreign investment, for an estimated aggregate consideration of between €60.0 million and €70.0 million.



## CAPITALIZATION

The following table sets forth the consolidated cash and capitalization as of December 31, 2012 on an actual basis derived from our consolidated balance sheet as of December 31, 2012 included elsewhere in these listing particulars and as adjusted to give effect to this offering, the entering into the Senior Facilities Agreement and the incurrence of indebtedness under the term facilities thereunder, the Mitsui Investment and the application of the proceeds therefrom as described under “Use of Proceeds”. Except as set out herein, there has been no material change in the capitalization for the period subsequent to December 31, 2012.

You should read this table in conjunction with “Operating and Financial Review and Prospects” and the consolidated financial statements and the notes thereto included elsewhere in these listing particulars.

	As of December 31, 2012	
	Actual	As adjusted
	(€millions)	
<b>Cash, cash equivalents and current financial assets<sup>(1)</sup></b>	<b>301.0</b>	<b>740.0</b>
Notes offered hereby <sup>(2)</sup>	—	766.0
Term facilities	—	570.0
Revolving credit facility <sup>(3)</sup>	—	—
Long-term indebtedness <sup>(4)</sup>	919.5	171.3
Short-term indebtedness <sup>(5)</sup>	458.6	107.4
Other financial indebtedness	220.7	220.7
<b>Total financial debt</b>	<b>1,598.8</b>	<b>1,835.4</b>
<b>Equity</b>	<b>1,550.2</b>	<b>1,847.2</b>
<b>Total capitalization</b>	<b>3,149.0</b>	<b>3,682.6</b>

- (1) Includes cash and cash equivalents as of December 31, 2012 of €247.6 million and current financial assets as of December 31, 2012 of €53.4 million (comprised of loans and receivables, securities portfolio and other current financial assets). Cash and cash equivalents and current financial assets does not take into account the operating cash inflows generated after December 31, 2012, nor any cash outflows that occurred after December 31, 2012, including significant capital expenditure, the repayment of a €41.0 million loan outstanding as of December 31, 2012 from our affiliate Gonvarri Corporación Financiera, S.L., customary increases in working capital requirements during the beginning of the year and our proposed €51.0 million dividend in connection with our results for the year ended December 31, 2012, which is expected to be paid no later than August 31, 2013. Cash and cash equivalents also does not reflect either the cash proceeds from the loan entered into in February 2013 with EBRD or the repayment of such loan from the proceeds of the offering.
- (2) The offering consists of \$350.0 million of dollar denominated notes and €500.0 million of euro denominated notes. We have applied an exchange rate to calculate the aggregate proceeds of the notes in euro of \$1.316 to €1.00.
- (3) In connection with the offering of the notes, we have entered into a new revolving credit facility in the amount of €280.0 million which we expect to remain undrawn on the date of the issuance of the notes.
- (4) Following the repayment of certain of our long-term indebtedness and excluding the notes and the Senior Facilities, our long-term indebtedness will primarily consist of a €60.0 million facility with Banc of America and €111.3 million of aggregate principal amount in other local facilities. See “Description of Other Indebtedness”.
- (5) The short-term indebtedness being repaid primarily consists of short-term credit lines and loans in Spain. Following the repayment of such short-term indebtedness, the outstanding amounts on our short-term credit lines primarily relate to facilities extended to our subsidiaries in Brazil, the United Kingdom, Germany and Turkey. A number of the short-term credit lines that are being repaid will not be cancelled and will be available for future working capital and other requirements.

## SELECTED CONSOLIDATED FINANCIAL AND OTHER INFORMATION

Our selected consolidated historical financial data has been derived as follows: consolidated financial data as of and for each of the years ended December 31, 2012, 2011, 2010, 2009 and 2008, respectively, has been derived from our audited consolidated financial statements as of and for the years ended December 31, 2012, 2011, 2010, 2009 and 2008, respectively. Our audited consolidated financial statements as of and for the years ended December 31, 2012, 2011 and 2010 are included elsewhere in these listing particulars.

Our selected consolidated financial data is presented in € and has been prepared in accordance with IFRS. You should read this selected consolidated financial data in conjunction with “Capitalization”, “Summary Consolidated Financial and Other Information”, “Operating and Financial Review and Prospects”, and the historical consolidated financial statements and the related notes, included elsewhere in these listing particulars.

	Year ended December 31,				
	2008	2009	2010	2011	2012
	(€millions)				
<b>Consolidated Income Statement Data:</b>					
Operating income . . . . .	2,420.0	2,081.1	3,284.7	4,913.8	5,872.1
Revenue . . . . .	2,308.0	2,032.4	3,170.4	4,774.6	5,757.3
Other operating income . . . . .	15.6	23.6	86.5	36.6	91.8
Changes in inventories . . . . .	96.5	25.1	27.9	102.6	23.0
Operating expenses . . . . .	(2,328.2)	(2,016.9)	(3,091.2)	(4,607.0)	(5,532.0)
Raw materials and other consumables . . . . .	(1,526.0)	(1,306.3)	(2,039.9)	(3,165.3)	(3,635.3)
Personnel expenses . . . . .	(369.9)	(347.4)	(535.6)	(733.9)	(989.6)
Depreciation, amortization, and impairment losses . . .	(177.8)	(159.0)	(196.5)	(240.6)	(280.0)
Other operating expenses . . . . .	(254.5)	(204.1)	(319.2)	(467.3)	(627.2)
<b>Operating profit . . . . .</b>	<b>91.8</b>	<b>64.2</b>	<b>193.5</b>	<b>306.8</b>	<b>340.1</b>
Finance income . . . . .	10.5	6.8	7.0	10.0	7.3
Finance expenses . . . . .	(48.6)	(43.4)	(63.9)	(72.5)	(87.5)
Exchange gains (losses) . . . . .	(12.2)	(1.3)	6.6	(11.7)	(1.5)
Other <sup>(1)</sup> . . . . .	(0.1)	(0.2)	2.8	(2.6)	4.1
<b>Profit for the year from continuing operations . . . . .</b>	<b>41.3</b>	<b>26.1</b>	<b>146.1</b>	<b>230.0</b>	<b>262.5</b>
Income tax expense . . . . .	6.2	2.0	(33.0)	(57.4)	(76.4)
<b>Profit for the year . . . . .</b>	<b>47.5</b>	<b>28.1</b>	<b>113.1</b>	<b>172.6</b>	<b>186.1</b>
Profit (loss) attributable to non-controlling interests . . . .	(1.7)	2.9	(1.7)	(4.1)	(16.0)
<b>Profit attributable to equity holders of the parent . . . . .</b>	<b>45.8</b>	<b>31.0</b>	<b>111.4</b>	<b>168.5</b>	<b>170.1</b>

	As of December 31,				
	2008	2009	2010	2011	2012
	(€'millions)				
<b>Consolidated Balance Sheet Data:</b>					
Intangible assets . . . . .	170.1	182.0	192.4	197.4	215.1
Property, plant and equipment . . . . .	1,388.7	1,432.5	1,713.4	2,132.9	2,431.4
Non-current Financial assets . . . . .	5.0	32.2	35.6	52.0	60.8
Inventories . . . . .	189.3	142.5	253.4	452.8	496.0
Trade and other receivables . . . . .	464.8	494.4	725.8	1,016.3	1,003.8
Cash and cash equivalents . . . . .	195.3	192.6	337.1	260.1	247.6
Other <sup>(2)</sup> . . . . .	233.4	345.4	262.2	228.1	236.4
<b>Total assets . . . . .</b>	<b>2,646.7</b>	<b>2,821.5</b>	<b>3,519.9</b>	<b>4,339.6</b>	<b>4,691.1</b>
<b>Total equity . . . . .</b>	<b>908.9</b>	<b>979.7</b>	<b>1,206.6</b>	<b>1,443.9</b>	<b>1,550.2</b>
Non trade liabilities . . . . .	766.1	752.6	765.5	862.2	1,119.1
Trade and other payables . . . . .	433.4	452.8	677.8	949.6	924.6
Other liabilities . . . . .	538.3	636.4	869.9	1,083.9	1,097.2
<b>Total liabilities . . . . .</b>	<b>1,737.8</b>	<b>1,841.8</b>	<b>2,313.3</b>	<b>2,895.7</b>	<b>3,140.9</b>

	Year ended December 31,				
	2008	2009	2010	2011	2012
	(€millions)				
<b>Consolidated Cash Flow Information:</b>					
Cash flows from operating activities . . . . .	296.6	266.0	271.2	305.2	370.2
Cash flows from investing activities . . . . .	(385.5)	(229.8)	(326.1)	(622.7)	(579.2)
Cash flows from financing activities . . . . .	(64.3)	(39.0)	199.4	240.5	196.5
<b>Net increase (decrease) of cash or equivalent . . . . .</b>	<b>(153.2)</b>	<b>(2.8)</b>	<b>144.5</b>	<b>(77.0)</b>	<b>(12.5)</b>

	Year ended December 31,				
	2008	2009	2010	2011	2012
	(€millions, except percentages and ratios)				
<b>Other Financial Data:</b>					
EBITDA <sup>(3)</sup> . . . . .	269.6	223.2	390.0	547.4	620.1
EBITDA margin . . . . .	11.7%	11.0%	12.3%	11.5%	10.8%
Capital expenditures <sup>(4)</sup> . . . . .	334.3	238.5	230.0	340.4	590.9
Acquisitions (net of disposals) <sup>(5)</sup> . . . . .	(18.9)	—	(112.4)	(380.7)	(4.0)
Cash, cash equivalents and current financial assets . . . .	309.4	381.8	417.4	295.5	301.0
Total financial debt <sup>(6)</sup> . . . . .	1,067.7	1,034.9	1,194.8	1,329.7	1,598.8
Net financial debt <sup>(6)</sup> . . . . .	758.3	653.0	777.4	1,034.2	1,297.8
Net financial expenses <sup>(7)</sup> . . . . .	38.2	36.7	56.9	62.5	80.2
Ratio of net financial debt to EBITDA <sup>(8)</sup> . . . . .	2.8x	2.9x	2.0x	1.9x	2.1x
Ratio of EBITDA to net financial expenses <sup>(9)</sup> . . . . .	7.1x	6.1x	6.9x	8.8x	7.7x

(1) Consists of share of profits from associates, change in fair value of financial instruments and impairment of and gains (losses) on sale of financial instruments.

(2) Consists of deferred tax assets, current financial assets and other current assets.

(3) “EBITDA” represents operating profit before depreciation, amortization and impairment losses. Our management believes that EBITDA is meaningful for investors because it provides an analysis of our operating results, profitability and ability to service debt and because EBITDA is used by our chief operating decision makers to track our business evolution, establish operational and strategic targets and make important business decisions. EBITDA is also a measure commonly reported and widely used by analysts, investors and other interested parties in our industry. To facilitate the analysis of our operations, this indicator excludes amortization, impairment and depreciation expenses from operating profit in order to eliminate the impact of general long-term capital investment. Although we are presenting this measure to enhance the understanding of our historical operating performance, EBITDA should not be considered an alternative to operating profit as an indicator of our operating performance, or an alternative to cash flows from operating activities as a measure of our liquidity. The following table presents the calculation of this measure:

	Year ended December 31,				
	2008	2009	2010	2011	2012
	(€millions)				
<b>Operating profit . . . . .</b>	<b>91.8</b>	<b>64.2</b>	<b>193.5</b>	<b>306.8</b>	<b>340.1</b>
<i>Adjusted for:</i>					
Depreciation, amortization and impairment losses . . . . .	177.8	159.0	196.5	240.6	280.0
<b>EBITDA . . . . .</b>	<b>269.6</b>	<b>223.2</b>	<b>390.0</b>	<b>547.4</b>	<b>620.1</b>

(4) Capital expenditures mean expenditure on property, plant and equipment.

(5) We define acquisitions net of disposals to include cash flows used in investments in group companies and associates less cash flows from divestments of group companies and associates.

(6) Total financial debt consists of interest-bearing loans and borrowings, financial leasing, borrowings from associated companies, loans from the Ministry of Science and Technology and other interest bearing loans but does not include derivative financial instruments, non-interest bearing loans, other current non-trade liabilities, deferred income, provisions, deferred tax liabilities,

trade and other payables and other liabilities. Net financial debt consists of total financial debt less cash and cash equivalents and current financial assets. The following table presents a calculation of these measures:

	Year ended December 31,				
	2008	2009	2010	2011	2012
	(€millions)				
Interest bearing loans and borrowings . . . . .	1,018.0	954.6	1,140.9	1,232.2	1,378.1
Financial leasing . . . . .	1.5	0.6	0.2	0.2	25.1
Borrowings from associated companies . . . . .	48.2	63.5	33.5	74.6	121.5
Loans from the Ministry of Science and Technology . . . . .	—	16.2	20.3	22.6	34.5
Other interest bearing loans . . . . .	—	—	—	—	39.5
<b>Total financial debt . . . . .</b>	<b>1,067.7</b>	<b>1,034.9</b>	<b>1,194.8</b>	<b>1,329.7</b>	<b>1,598.8</b>
Cash and cash equivalents and current financial assets . . . . .	309.4	381.8	417.4	295.5	301.0
<b>Net financial debt . . . . .</b>	<b>758.3</b>	<b>653.0</b>	<b>777.4</b>	<b>1,034.2</b>	<b>1,297.8</b>

(7) Net financial expenses consist of finance expenses less finance income.

(8) Calculated by dividing net financial debt by EBITDA.

(9) Calculated by dividing EBITDA by net financial expenses.

## OPERATING AND FINANCIAL REVIEW AND PROSPECTS

*You should read the following discussion together with our consolidated financial statements included elsewhere in these listing particulars. The financial data in this discussion of our results of operations and financial condition as of and for the years ended December 31, 2012, 2011 and 2010 has been derived from the audited consolidated financial statements of Gestamp Automoción and its subsidiaries as of and for the years ended December 31, 2012, 2011 and 2010 prepared in accordance with IFRS as adopted by the European Union. Certain monetary amounts, percentages and other figures included in these listing particulars have been subject to rounding adjustments. Accordingly, figures shown as totals in certain tables may not be the arithmetic aggregation of the figures that precede them, and figures expressed as percentages in the text may not total 100% or, as applicable, when aggregated may not be the arithmetic aggregation of the percentages that precede them.*

*You should read the following discussion together with the sections entitled “Selected Financial Information”, “Risk Factors”, “Forward-Looking Statements” and “Presentation of Financial Information”.*

### Overview

We are a leading global automotive supplier active in the design, development and manufacture of metal components and assemblies for sale to OEMs, primarily for use in the production of light vehicles. We have an extensive global footprint of 94 production facilities in 19 countries over four continents with four additional plants under construction as of December 31, 2012. We supply our products globally to all of the 12 largest OEMs by production volume. Our extensive geographical and customer diversification allows us to take advantage of global growth opportunities and has mitigated the impact of regional production fluctuations on our business during economic downturns.

We offer our OEM customers a diverse product portfolio, supplying Body-in-White and Chassis structures and complex assemblies, Mechanisms, as well as tooling and dies and other related services. We are one of the very few truly global suppliers to OEMs in our product portfolios, which sets us apart from many of our competitors in the industry. We have long-standing and entrenched relationships with our largest OEM customers and, as a result, have been able to proactively manage our business to meet the developing global trends in the industry and the resulting changes in the requirements of the OEMs that we supply.

### Key factors affecting our results of operations

We believe that the following factors impact our results of operations:

- ***Significant acquisitions***

Certain significant, discretionary acquisitions listed below have had a material effect on our financial results, have affected our consolidation perimeter and represented a large portion of our investments in the past few years. Our investments and add-on acquisitions have significantly contributed to our increase in EBITDA from €390.0 million in 2010 to €620.1 million in 2012 and to the increase in our cash flows from operating activities from €271.2 million in 2010 to €371.5 million in 2012. There were no disposals which had a significant effect on our financial results in the years ended December 31, 2012, 2011 and 2010. The following is a summary of the acquisitions that have had a significant effect on our financial results in the years ended December 31, 2012, 2011 and 2010.

#### *2012*

There were no acquisitions which had a significant effect on our financial results in the year ended December 31, 2012.

#### *2011*

*ThyssenKrupp Metal Forming business acquisition.*

On April 28, 2011 our subsidiary Metalbages, S.A. signed a sale and purchase agreement with ThyssenKrupp for the acquisition of 100% of the share capital of certain companies of the metal forming business unit of the ThyssenKrupp group, or ThyssenKrupp Metal Forming. After having received the required approvals, as of July 20, 2011, we consummated the aforementioned acquisition through a newly incorporated subsidiary, GMF Holding GmbH (“GMF Holding”). ThyssenKrupp Metal Forming is domiciled in several European countries (Germany, France and the United Kingdom). In acquiring these companies we assumed the contracts with clients and suppliers, the staff and the shareholdings in companies located in Spain, the United Kingdom, Poland and Turkey. These



newly acquired companies were incorporated into our consolidation scope as of July 31, 2011. Subsequently, on December 2, 2011, after receiving the relevant regulatory approvals, GMF Holding acquired one additional company, based in China, which had also belonged to ThyssenKrupp Metal Forming. As a result of the acquisition of ThyssenKrupp Metal Forming, we acquired 18 production facilities and two R&D centers.

The acquired business is one of the main producers of chassis components. The transaction improved our market position worldwide in chassis structures, enhanced the diversification of our customer base and brought improvements to our technology base, as well as increased economies of scale. The headcount of this newly incorporated business unit amounted to approximately 4,430 at the time of the acquisition.

The cost of the acquisition amounted to €383.8 million, of which €195.3 million corresponded to the purchase of the companies' shares and €188.6 million to the assumption of debts. The acquired company had €45.0 million of cash on its balance sheet. Of the total consideration, €358.8 million was paid in cash by GMF Holding and Gestamp Auto Component (Kunshan), Co., Ltd. In addition, €25.0 million was deferred until the year 2012. There were no outstanding payments as at December 31, 2012.

No goodwill arose from the acquisition and there are no significant contingent payments. The net effect of the business combination has been registered under the heading "Other operating income" in our consolidated income statement as of December 31, 2011. The revenue and net result of the acquired businesses reflected in our consolidated financial statements from the date of incorporation into the consolidation scope to December 31, 2011 amounted to €518.7 million and €3.2 million in losses, respectively, including the net effect on income of the business combination amounting to €2.6 million.

On December 6, 2011, we sold a 49.06% non-controlling interest in this business unit to Tocqueville Capital Company B.V. ("Tocqueville") (which is a subsidiary of the Liberty Hampshire Company, LLC or "Liberty"). Under our agreement with Liberty, we have an option to purchase the shares in GMF Holding held by Tocqueville, for a fixed purchase price of €104.0 million on or prior to September 30, 2013 (the "Liberty Option"), failing which Liberty may sell its shares to a third party. Upon any such sale, if the sale price realized by Liberty is lower than €104.0 million, then we will be obligated to pay Liberty an amount such that Liberty would receive an aggregate amount of €104.0 million for its shares. Under the terms of the back-up facility agreement dated December 1, 2011 between Gestamp Metalbages, S.A. and Société Générale, S.A. ("Société Générale") and the corresponding deed of guarantee dated December 1, 2011 between Gestamp Automoción and Société Générale for a maximum amount of €104.0 million (the "Société Générale Guaranteed Back-up Facility Agreement"), in the event that Tocqueville receives an amount of less than €104.0 million in the sale of its shares in GMF Holding to a third party, Société Générale has agreed to make available to Gestamp Metalbages, S.A. a term loan facility up to €104.0 million that allows Tocqueville to receive an aggregate of €104.0 million. The Société Générale Guaranteed Back-up facility Agreement terminates on September 5, 2013.

#### *ALHC, LLC and Gestamp South Carolina, LLC*

On October 1, 2009 Gestamp North America, Inc. acquired a 40% stake in ALHC, LLC, which in 2009 and 2010 was reflected in our consolidated financial statements using the equity method. As a result of this acquisition, we acquired one manufacturing facility. On April 29, 2011 Gestamp North America, Inc. acquired the remaining 60% shareholding of ALHC, LLC, which owns 100% of Gestamp South Carolina, a company domiciled in South Carolina (US) whose corporate purpose is metal stamping and the manufacture of metal components. As such, as of that date, we acquired full ownership of both companies. The headcount of this newly incorporated business amounted to approximately 190. The net effect of the business combination amounted to €1.8 million and has been registered under the heading "Other operating expenses" in our consolidated income statement as of December 31, 2011. Additionally, when we obtained control, there was a net debt at ALHC, LLC with the acquiring company Gestamp North America, Inc., in the amount of €30.0 million, included in the previous balance sheet, mainly, under the heading "other non-current liabilities". The revenue and net income of the acquired business reflected in the consolidated financial statements from the date of incorporation into the consolidation scope to December 31, 2011 amounted to €148.3 million and

€8.3 million in profit, respectively, including the net effect on income of the business combination amounting to €1.8 million of profit.

2010

#### *Edscha acquisition*

On April 1, 2010, after having received the required approvals, we consummated the purchase of 100% of the body mechanisms business unit of Edscha, whereby we acquired the material assets including receivables and inventories held by companies in EU countries (Germany, Czech Republic, Slovakia, Spain, France and Portugal), assumed existing contracts with clients and suppliers, incorporated the existing staff, as well as investments in companies located in Brazil, China, Taiwan and Japan. This transaction enhanced our technological positioning vis-à-vis our clients and added an entirely new product category to our existing portfolio, a category in which the acquired business unit is the market leader worldwide. The transaction was executed in the context of the liquidation process carried out by the official receiver of the sellers, which reside in the European Union. The bankruptcy proceedings began in February 2009. The cost of the acquisition amounted to €129.9 million and was paid entirely using surplus cash on hand. The headcount that was incorporated from this business amounted to 3,858. There are no significant contingent payments arising out of the acquisition. The negative goodwill associated with the acquisition of Edscha in 2010 amounted to €47.3 million, which was netted off with a provision for risks relating to our trading relationships with customers amounting to €34.6 million. As a result of this acquisition, we acquired 12 production facilities and three R&D centers.

The impact in the consolidated net turnover and the consolidated net income attributable to the business combination from the acquisition date to December 31, 2010 amounted to €470.9 million and €32.0 million of profit, respectively. The effect of the business combination, if it had been carried out from January 1, 2010, would have amounted to €630.0 million in net turnover and €46.0 million in net income as of December 31, 2010.

- ***Capital expenditure***

The growth of our business involves significant capital expenditure, to the extent that we build new manufacturing plants or increase capacity in existing plants. Increased success and penetration with our customers based on increased project awards translates into increased capital expenditure to accommodate the execution of those projects. Once a project is ongoing, maintenance capital expenditure is limited and somewhat predictable. When new programs or vehicle models are required, usually at the end of a vehicle cycle, “renewal” or “replacement” capital expenditure is required in order to adapt existing infrastructure to accommodate new assembly and process design, usually at levels significantly below the expenditure required to create the capacity in the first place.

For instance, we initiated the construction of eight new manufacturing facilities during the period from November 1, 2010 to December 31, 2012. The construction period for these new manufacturing facilities typically ranges between 12 months and 15 months and the cash used in investments in property, plant and equipment associated with the construction and equipment of these new manufacturing facilities typically ranges between €40 million and €70 million. Once the construction of a manufacturing facility is completed, the output of the manufacturing facility increases over time, reaching full production capacity typically during the following 18 to 24 months. The table below sets out eight such new manufacturing facilities, the aggregate cash used in or expected to be used in

investments in property, plant and equipment, its construction start date, its construction end date and its expected first year of full production.

Manufacturing Facility	Cash used in or expected to be used in property, plant and equipment	Construction start date	Construction end date	Year of full production
Kaluga Phase II (Russia) . . . . .	€51.1 million	May 2012	July 2013	2015
Shenyang (China) . . . . .	€74.9 million	February 2012	May 2013	2015
Dongguan (China) . . . . .	€50.4 million	August 2012	August 2013	2015
Chongqing (China) . . . . .	€16.0 million	July 2011	October 2012	2014
Chennai (India) . . . . .	€31.1 million	August 2011	August 2012	2014
West Virginia (USA) . . . . .	€70.7 million	May 2012	May 2013	2015
Louny (Czech Republic) . . . . .	€34.2 million	May 2011	May 2012	2014
Santa Isabel (Brazil) . . . . .	€65.8 million	November 2010	January 2012	2014

As of December 31, 2012, none of these eight new manufacturing facilities have generated a year of fully ramped-up revenue and EBITDA. The most recent new manufacturing facilities, which have generated a year of fully ramped-up revenue and EBITDA are Chattanooga, Kaluga Phase I, St. Petersburg and Kunshan. The table below sets forth the aggregate cash used in investments in property, plant and equipment, the construction start date, the construction end date, the first year of full production, the revenue and EBITDA for the first year of full production of each of these manufacturing facilities.

Manufacturing Facility	Cash used in property, plant and equipment	Construction start date	Construction end date	Year of full production	Revenue and year	EBITDA and year
Chattanooga (USA) . . . . .	€37.8 million <sup>(1)</sup>	September 2009	February 2011	2012	€93.6 million (2012)	€10.7 million (2012)
Kaluga Phase I (Russia) . . . . .	€74.0 million	June 2008	January 2010	2012	€99.4 million (2012)	€14.8 million (2012)
St. Petersburg (Russia) . . . . .	€45.9 million	December 2007	June 2009	2011	€41.2 million (2011)	€10.7 million (2011)
Kunshan (China) . . . . .	€61.7 million	July 2007	June 2009	2012	€121.4 million (2012)	€20.0 million (2012)

(1) Includes €11.4 million of assets financed with operating leases.

- **Global automotive market**

The cycles of the global automotive industry, which is correlated with general global macroeconomic conditions, impacts our OEM customers' production requirements and consequently impacts the volume of purchases of our products by our OEM customers. With increased economic growth in our growth markets and recovery in our more traditional markets, we have experienced and expect to experience increased vehicle production levels, with a consequent increase in the demand for our products and a positive impact on our revenues with slower economic growth having the correlative effect.

- **Diversification**

Our strong geographic, customer and product diversification has had the effect of reducing revenue volatility during the economic downturn. Our well-diversified customer base, which includes all of the 12 largest OEMs by production volume, has limited our exposure to a downturn in the demand for any one OEM's products portfolio. Regional differences in duration, timing and intensity of economic cycles, combined with the diversity of our geographic footprint, have mitigated the effects of the economic cycle on our business, limiting the impact of our exposure to the cycle in any one region or geography. Our stable revenues have allowed us to take advantage of global growth opportunities, even during the economic downturn.

- **Steel price**

A significant part of our cost base consists of purchases of raw materials which are variable in nature. The primary raw material used in our business is steel, which in recent years has represented approximately 50% of our sales. While steel prices affect our revenue and costs, historically, our profit margins have not been significantly affected by changes in steel prices. In 2012, over 60% of our steel was purchased through OEM re-sale programs, under which an OEM customer negotiates directly

with the steel suppliers the price of the steel that we use to manufacture components for that OEM. Such negotiated steel price is passed through to the OEM customer in the sale price of the automotive component. The remainder of our steel purchasing requirements in 2012 was met through contracts with steel suppliers that we negotiated. Historically, we have negotiated with our OEM customers to pass through the increase or decrease in the steel price, eliminating significant volatility in our margins relating to volatility in steel prices. Due to our strong relationships with OEMs and the large steel volumes we acquire in the market place, we expect to be able to negotiate competitive steel contracts from suppliers and to pass through cost increases to our customers, thus stabilizing the effect on our margins.

We also sell scrap steel, which is a byproduct of our production process. Typically, the price of scrap steel fluctuates in line with steel prices. We generally share our recoveries from sales of scrap steel with our OEM customers either through scrap sharing agreements, in cases where we are on resale programs, or in the product pricing that we negotiate with OEMs based on increases and decreases in the steel price in cases where we purchase steel directly from the mills. As with steel prices, we may be impacted by the fluctuation in scrap steel prices, either positive or negative, but historically these fluctuations have had a limited impact on our margins.

- ***Other costs***

Labor costs have represented in recent years between approximately 15% and 17% of our total annual sales. A significant part of our labor costs are semi-variable in nature and can be adjusted to meet business needs. For example, in 2008 and 2009, we were able to respond quickly to the deterioration in market conditions and took measures to contain costs by lowering headcount, including a reduction in the number of temporary personnel. The predictability of our cost-base has assisted our strategic planning and has allowed us to maintain consistent profit margins.

- ***Vehicle cycles***

In our industry, once a project has been nominated to a preferred supplier, it is rare for an OEM to switch to another supplier, given the prohibitive operational, technical and logistical costs of switching, particularly during the life cycle of a specific vehicle model. Vehicle models typically have long, multi-year product life cycles. Given these factors, while the actual revenues which we derive from a project ultimately depend on our OEM customers' production volumes achieved for the respective car models, we have good visibility on mid-term revenues within a relatively small range of sensitivity.

- ***Product pricing***

During the life cycle of a contract, we are expected to achieve production efficiencies. Typically, in line with our industry practice, we pass on a portion of these production efficiencies to our customers by way of price reductions during the term of the contract. When negotiated price reductions are expected to be retroactive, we accrue for such amounts as a reduction of revenues as products are shipped. To the extent we are not able to achieve the efficiencies necessary to offset the price reductions, such price reductions negatively impact our revenues.

- ***Seasonality***

Our business is seasonal. Our working capital requirements typically increase during the first and second quarters of the year and reduce towards the end of the year. This is due to the following factors. OEMs typically slow down vehicle production during certain portions of the year. For instance, our customers in Europe typically slow down vehicle production during the beginning of the second half of the year in July or August as well as towards the end of the year during the holiday season in December during which they also often conduct internal maintenance and adjustments to inventory. Further, there are a fewer number of working days at the end of a year as opposed to the beginning of a year and this results in a reduction in vehicle production at the end of the year. Also, we typically agree final due amounts with our suppliers at the end of the year, which are usually paid at the beginning of the following year, resulting in higher payables at the end of the year and significant cash outflows during January and February. Further, a significant portion of our tooling receivables balances are collected from our clients typically before year-end, resulting in a reduction in receivables and cash inflows at the end of the year. Our results of operations, cash flows and liquidity may therefore be impacted by these seasonal practices. However, our strong geographic, customer and product diversification allows us to take advantage of global production cycles and has mitigated the impact of regional demand fluctuations during the year on our business.

- ***Transaction and foreign exchange translation***

We seek to limit our foreign exchange transaction risk by purchasing and manufacturing products in the same country where we sell to our final customer. However, the translation of foreign currencies back to the Euro may have a significant impact on our revenues and financial results. Foreign exchange has an unfavorable impact on revenues when the Euro is relatively strong as compared with foreign currencies and a favorable impact on revenues when the Euro is relatively weak as compared with foreign currencies. The functional currency of our foreign operations is the local currency. Assets and liabilities of our foreign operations are translated into Euro using the applicable period-end rates of exchange. Results of operations are translated at applicable average rates prevailing throughout the period. Translation gains or losses are reported as a separate component of accumulated other comprehensive income in our consolidated statements of stockholders' equity (deficit). Gains and losses resulting from foreign currency transactions, the amounts of which were not material in any of the periods presented in these listing particulars, are included in net income (loss).

### **Principal profit and loss account items**

The following is a brief description of the revenue and expenses that are included in the line items of our consolidated profit and loss accounts.

#### ***Operating Income***

##### ***Revenue***

Revenue is recognized when products are delivered or services are provided, regardless of when actual payment or collection occurs. Revenue is recognized at fair value of the balancing entry, defining fair value as the amount for which an asset could be exchanged, or a liability settled, between knowledgeable, willing parties in an arm's length transaction, taking into account the amount of any discounts or rebates provided. Revenue includes:

- Sale of goods: Revenue from the sale of goods is recognized when the following conditions have been met:
  - We have transferred to the buyer the significant risks and rewards of ownership of the goods;
  - We retain neither continuing managerial involvement to the degree usually associated with ownership nor effective control over the goods sold;
  - The amount of revenue can be measured reliably;
  - It is probable that the economic benefits associated with the transaction will flow to us; and
  - The costs incurred or to be incurred in respect of the transaction can be reliably measured.
- Manufacture of tools for third party sale and rendering of services: Revenue arising from the manufacture of tools for sale to third parties and the rendering of services is recognized by reference to the stage of completion of the transaction at the reporting date. This is referred to as the stage of completion method. See Note 10 to our consolidated financial statements for the years ended December 31, 2012, 2011 and 2010 included elsewhere in these listing particulars.
- Interest, royalties, and dividends: interest revenue is recognized as interest accrues taking into account the effective return of the asset (using the effective interest method, i.e., the rate that makes discounted future cash receipts through the expected life of the financial instrument equal to the initial carrying amount of the asset). Royalties are recognized on an accrual basis in accordance with the substance of the relevant agreement. Dividends are recognized when the shareholder's right to receive payment is established.

#### ***Other operating income***

Other operating income is comprised principally of grants related to income and grants related to assets released to income for the year, surplus provision for taxes, surplus provision for other commitments, surplus provision for environmental matters, own work capitalized and net effect of certain business combinations and acquisitions during the year.



### ***Operating Expenses***

Our operating expenses are comprised primarily of expenses on raw materials and other consumables, personnel expenses and depreciation, amortization and impairment losses. Expenses are recognized when products are delivered or services are provided, regardless of when actual payment or collection occurs. Further, expenses are recognized when there is a decrease in an asset or an increase in a liability that can be measured reliably, and they are recognized during the period in which they are incurred.

#### ***Raw materials and other consumables***

Our expenses on raw materials and other consumables include purchases of goods and tools for resale, discounts for prompt payment, purchase returns and similar transactions, volume discounts, changes to inventories, purchases of raw materials, consumption of other supplies, expenses on work performed by third parties, impairment and reversal of impairment of goods for resale and raw materials.

#### ***Personnel expenses***

Our personnel expenses include salaries, social security and other benefits expenses. Personnel expenses are primarily costs driven by the size of our operations, our geographical reach and customer requirements.

#### ***Depreciation, amortization and impairment losses***

Depreciation and amortization relates to the depreciation of our property, plant and equipment. Annual depreciation is calculated using the straight-line method based on the standard estimated useful lives of the various assets. The physical life of our forming assets is typically longer. Our maintenance and replacement/renewal capital expenditures for our equipment is less than the depreciation of our assets. Land is not depreciated and is presented net of any impairment charges.

Property, plant, and equipment is carried at either acquisition or production cost, including all the costs and expenses directly related with assets acquired until ready for use, less accumulated depreciation and any impairment losses.

Certain major parts of some items of plant and equipment may require replacement at irregular intervals. The cost of these parts is capitalized when the part is replaced and depreciated over their estimated useful lives. The net carrying amount of replaced parts is retired with a charge to income when the replacement occurs. Ordinary repair or maintenance work is not capitalized.

An item of property, plant, and equipment is retired upon disposal or when no future economic benefits are expected from its use or disposal. Any gain or loss arising on retirement of the asset (calculated as the difference between the net disposal proceeds and the net carrying amount of the asset) is included in the income statement in the year the asset is retired. Borrowing costs directly attributable to the acquisition or development of a qualifying asset (which is an asset that takes more than one year to be ready for its intended use) are capitalized as part of the cost of the respective assets.

#### ***Other operating expenses***

Our other operating expenses relate to maintenance and upkeep, other external services, taxes and levies, impairment of accounts receivable, profits or losses from disposal of assets, application of non-current provisions and profits from business combinations.

#### ***Financial income (expenses)***

Financial income primarily consists of income from equity investments and loans within our group and to third parties.

Financial expenses are composed of interest expenses from our borrowings from companies within our group and our external financings including bank borrowings and trade bills and other financial expenses.

#### ***Exchange gains (losses)***

Exchange gains (losses) relates to the impact of changes in the functional currency relative to the euro on foreign currency borrowings considered permanent. These exchange gains (losses) are taken directly to equity under "Translation differences", net of the tax effect.

Transactions in foreign currencies are translated to euros at the exchange rate prevailing at the date of the transaction. Exchange gains and losses arising on the settlement of these transactions or on translating foreign currency denominated monetary assets and liabilities at closing rates are recognized in the consolidated income statement.

***Share of profits (losses) from associates carried under the Equity Method***

Share of profits (losses) in companies carried under the equity method is composed of the results of companies included in our consolidated results, on which we have significant influence but not control or joint control. For the purposes of the preparation of our financial statements, significant influence is deemed to exist in investments in which we, directly or indirectly, hold over 20% of the voting power, and in certain instances where our holding is less than 20%, but significant influence can be clearly demonstrated. Companies in which our direct or indirect holding is between 20% and 50%, but in which we do not hold the majority of voting rights or in which we do not have effective control or joint control with another third party entity, are consolidated using the equity method.

***Income tax***

We file income tax returns in each of the jurisdictions in which our subsidiaries are located. Our tax expense (tax income) was calculated based on accounting profit, which is calculated based on a number of factors such as theoretical tax expense, difference in prevailing rates, permanent differences, application of tax credits carried forward, tax credits restructured by prescription, adjustments related to current tax (previous years) and other tax adjustments.

Our theoretical tax rate applied in 2012 and 2011 was 30%. The “differences in prevailing rates” in 2012 and 2011 reflects the differences between prevailing rates in certain operating markets and the theoretical applicable rate, mainly relating to operations taxed in the US, Brazil (34%), and Argentina (35%).

The permanent differences in 2011 and 2010 reflect mainly accelerated depreciation, inflation adjustments, nondeductible provisions, fiscal transparency, nondeductible differences in exchange rates, nondeductible expenses, and those differences generated in the consolidation process. Also, in 2012 “Other tax adjustments” includes adjustments to capitalized tax credits related to differences in tax rates.

***Profit (loss) attributable to non-controlling interest***

Our consolidated results include entities in which we have a non-controlling interest. See note 17 to our consolidated financial statements for the years ended December 31, 2012, 2011 and 2010 included elsewhere in these listing particulars for a description of the entities in which we had a non-controlling interest during the period.

**Non-GAAP measures**

***EBITDA***

We define EBITDA as operating profit before depreciation and amortization and impairment losses. See “Presentation of Financial and Other Data—Financial information and operational data”.

## Results of operations

### Year ended December 31, 2012 compared to year ended December 31, 2011

The table below sets out our results of operations for the year ended December 31, 2012, compared to the year ended December 31, 2011.

	Year ended December 31,		
	2011	2012	% Change
	(€millions)		
<b>Consolidated Income Statement Data:</b>			
Operating income . . . . .	4,913.8	5,872.1	19.5%
Revenue . . . . .	4,774.6	5,757.3	20.6%
Other operating income . . . . .	36.6	91.8	150.8%
Changes in inventories . . . . .	102.6	23.0	(77.6)%
Operating expenses . . . . .	(4,606.9)	(5,532.0)	20.1%
Raw materials and other consumables . . . . .	(3,165.2)	(3,635.2)	14.8%
Personnel expenses . . . . .	(733.9)	(989.6)	34.8%
Depreciation, amortization, and impairment losses . . . . .	(240.6)	(280.0)	16.4%
Other operating expenses . . . . .	(467.2)	(627.2)	34.2%
<b>Operating profit . . . . .</b>	<b>306.9</b>	<b>340.1</b>	<b>10.8%</b>
Finance income . . . . .	9.9	7.3	(26.3)%
Finance expenses . . . . .	(72.5)	(87.5)	20.7%
Exchange gains (losses) . . . . .	(11.7)	(1.5)	(87.2)%
Other . . . . .	(2.6)	4.1	257.7%
<b>Profit for the year from continuing operations . . . . .</b>	<b>230.0</b>	<b>262.6</b>	<b>14.2%</b>
Income tax expense . . . . .	(57.4)	(76.4)	33.1%
<b>Profit for the year . . . . .</b>	<b>172.6</b>	<b>186.1</b>	<b>7.8%</b>
Profit (loss) attributable to non-controlling interests . . . . .	(4.1)	(16.0)	290.2%
<b>Profit attributable to equity holders of the parent . . . . .</b>	<b>168.5</b>	<b>170.1</b>	<b>0.9%</b>

### Revenue

Revenue increased by €982.7 million, or 20.6%, to €5,757.3 million in 2012 from €4,774.6 million in 2011. The increase in revenue is primarily attributable to (A) a €812.4 million or 17.0% increase in revenue in 2012 due to the fact that we consolidated the results of our acquired business, ThyssenKrupp Metal Forming for a twelve-month period in 2012 compared to only a five month period in 2011; (B) a €350.1 million or 7.3% increasing in revenue in 2012 due to organic growth comprised of a €281.7 million or 5.9% increase in revenue in 2012 due to new contracts in the US, Russia and Brazil; and (C) a €68.4 million or 1.4% increase in revenue in 2012 associated with additional sales under existing contracts, partially offset by a €179.8 million or 3.8% reduction in revenue associated with lower sales in Western Europe and a reduction in prices due to lower average steel prices.

The following table sets forth, by product category, our revenue for the years ended December 31, 2011 and 2012:

	Year ended December 31,		% Change
	2011	2012	
	(€million)		
<b>Revenue:</b>			
Body-in-White and Chassis . . . . .	3,778.6	4,748.3	25.7%
Mechanisms . . . . .	690.7	682.3	(1.2)%
Tooling and Other . . . . .	295.3	326.7	10.6%
<b>Total . . . . .</b>	<b>4,774.6</b>	<b>5,757.3</b>	<b>20.6%</b>

*Body-in-White and Chassis.* Revenue increased by €969.7 million, or 25.7%, to €4,748.3 million in 2012 from €3,778.6 million in 2011. This increase was primarily due to a €812.4 million increase in revenue in

2012 due to the full year effect in 2012 of the acquisition of ThyssenKrupp Metal Forming in 2011 and a net increase in revenue in 2012 due to new contracts in the US, Russia and Brazil and additional orders under existing contracts partially offset by lower sales in Western Europe.

*Mechanisms.* Revenue decreased by €8.4 million, or 1.2%, to €682.3 million in 2012 from €690.7 million in 2011. This decrease was primarily due to a reduction in the number of units sold, in particular in Spain and France, partially offset by an increase in the sale price of the units.

*Tooling and Other.* Revenue increased by €31.4 million, or 10.6%, to €326.7 million in 2012 from €295.3 million in 2011. This increase was primarily due to the completion of some greenfield projects and the sale of tooling kits for our new production lines in the US, Mexico, Russia and Brazil.

### ***Operating expenses***

*Raw materials and other consumables.* Raw materials and other consumables increased by €470.0 million, or 14.8%, to €3,635.3 million in 2012 from €3,165.3 million in 2011. This increase was primarily due to the full year effect in 2012 of the acquisition of ThyssenKrupp Metal Forming in 2011 and an increase in consumption of raw materials and other consumables in 2012 due to new contracts in the US, Russia and Brazil and additional orders under existing contracts. The lower percentage increase in raw materials and other consumables expenses in 2012 in contrast to the revenue increase in 2012 is primarily due to lower steel prices and growth in sales of chassis products, which utilize less raw materials.

*Personnel Expenses.* Personnel expenses increased by €255.7 million, or 34.8%, to €989.6 million in 2012 from €733.9 million in 2011. This increase was primarily due to a €160.1 million increase in personnel expenses in 2012 due to the full year effect in 2012 of the acquisition of ThyssenKrupp Metal Forming in 2011, a €95.6 million increase in personnel expenses in 2012 due to an increase in full time employees due to the ramp up phase of our new factories in the Czech Republic, Brazil, the US and Russia and the increase in the average salary of our employees.

*Depreciation, amortization and impairment losses.* Depreciation, amortization and impairment losses increased by €39.4 million, or 16.4%, to €280.0 million in 2012 from €240.6 million in 2011. This increase was primarily due to a €28.1 million increase in depreciation due to the full year effect in 2012 of the acquisition of ThyssenKrupp Metal Forming in 2011 and higher depreciation resulting from the increased asset base compared to the prior year.

*Other Operating Expenses.* Other operating expenses increased by €160.0 million, or 34.2%, to €627.2 million in 2012 from €467.3 million in 2011. This increase was primarily due to a €115.8 million increase in other operating expenses due to the full year effect in 2012 of the acquisition of ThyssenKrupp Metal Forming in 2011 and an increase in other operating expenses associated with startup costs of projects in the US, Russia and Brazil completed in 2012 and higher other operating expenses due to the increase in sales in 2012 and inflation.

### ***Operating profit or loss***

Operating profit increased by €33.3 million, or 10.9%, to €340.1 million in 2012 from €306.8 million in 2011. This increase was primarily due to the full year effect in 2012 of the acquisition of ThyssenKrupp Metal Forming in 2011. Operating margin, operating profit over revenue, has decreased from 6.4% in 2011 to 5.9% in 2012 due to the fact that operating margins in ThyssenKrupp Metal Forming are lower than the operating margins in the rest of our group since ThyssenKrupp Metal Forming is a newly acquired business that we are still in the process of integrating it with the rest of our business.

### ***EBITDA***

EBITDA increased by €72.7 million, or 13.3%, to €620.1 million in 2012 from €547.4 million in 2011 primarily due to a greater increase in revenue than in our operating expenses.

### ***Net financial income (expenses)***

Net financial expense increased by €17.7 million, or 28.3%, to €80.2 million in 2012 from €62.5 million in 2011. This increase was primarily due to a weighted average increase in financial debt of €213.2 million for the year, or 21.8%, and, to a lesser extent, due to an increase of approximately 30 basis points in the average interest rate applicable to our indebtedness.

## Income Tax

Income tax expense increased by €19.0 million, or 33.1%, to €76.4 million in 2012 from €57.4 million in 2011, which has resulted in an increase in the average tax rate from 25.0% in 2011 to 29.1% in 2012. This increase in the income tax was primarily due to an increase in taxable income in 2012 generated in jurisdictions with higher tax rates like the US, Mexico, Brazil, Argentina and Germany, and amendments in tax regulations in Spain that have resulted in a reduction in tax deductions being available to us.

## Profit attributable to non-controlling interest

Profit attributable to non-controlling interest increased by €11.9 million to €16.0 million in 2012 from €4.1 million in 2011. This increase in profit attributable to our non-controlling interest is attributable to the higher profits achieved by our subsidiaries in which third parties hold a minority interest, such as our joint ventures in China and Russia and our tooling companies and the full year effect in 2012 of the acquisition of Thyssen Krupp Metal Forming in 2011.

## Year ended December 31, 2011 compared to Year ended December 31, 2010

The table below sets out our results of operations for the year ended December 31, 2011, compared to the year ended December 31, 2010.

	Year ended December 31,		
	2010	2011	% change
	(€millions)		
<b>Consolidated Income Statement Data:</b>			
Operating income . . . . .	3,284.7	4,913.8	49.6%
Revenue . . . . .	3,170.4	4,774.6	50.6%
Other operating income . . . . .	86.5	36.6	(57.7)%
Changes in inventories . . . . .	27.8	102.6	269.1%
Operating expenses . . . . .	(3,091.2)	(4,606.9)	49.0%
Raw materials and other consumables . . . . .	(2,039.9)	(3,165.2)	55.2%
Personnel expenses . . . . .	(535.6)	(733.9)	37.0%
Depreciation, amortization, and impairment losses . . . . .	(196.5)	(240.6)	22.4%
Other operating expenses . . . . .	(319.2)	(467.2)	46.4%
<b>Operating profit . . . . .</b>	<b>193.5</b>	<b>306.9</b>	<b>58.6%</b>
Finance income . . . . .	7.0	9.9	41.4%
Finance expenses . . . . .	(63.9)	(72.5)	13.5%
Exchange gains (losses) . . . . .	6.6	(11.7)	(277.3)%
Other . . . . .	2.9	(2.6)	(189.7)%
<b>Profit for the year from continuing operations . . . . .</b>	<b>146.1</b>	<b>230.0</b>	<b>57.4%</b>
Income tax expense . . . . .	(33.0)	(57.4)	73.9%
<b>Profit for the year . . . . .</b>	<b>113.1</b>	<b>172.6</b>	<b>52.6%</b>
Profit (loss) attributable to non-controlling interests . . . . .	(1.7)	(4.1)	141.2%
<b>Profit attributable to equity holders of the parent . . . . .</b>	<b>111.4</b>	<b>168.5</b>	<b>51.3%</b>

## Revenue

Revenue increased by €1,604.2 million, or 50.6%, to €4,774.6 million in 2011 from €3,170.4 million in 2010. The increase in revenue is primarily attributable to: (A) a €939.9 million or 29.6% increase in revenue in 2011 comprised of; (i) a €272.9 million or 8.6% increase in revenue in 2011 due to the fact that we consolidated the results of our acquired business, Edscha for a twelve-month period in 2011, (ii) a €518.7 million or 16.4% increase in revenue in 2011 due to the fact that we consolidated the results of our acquired business, ThyssenKrupp Metal Forming for a five month period in 2011, and (iii) a €148.3 million or 4.7% increase in revenue in 2011 due to the fact that we consolidated the results of our acquired business, Gestamp South Carolina LLC for a twelve-month period in 2011 and (B) a €664.3 million or 21.0% increase in revenue in 2012 due to organic growth comprising of: (i) €462.1 million or 14.6% increase in revenue in 2011 due to new contracts in the US, Russia, Brazil, Mexico, Argentina, China,



India, Poland, the UK and Spain, and (ii) a €202.2 million or 6.4% increase in revenue associated with additional sales under existing contracts.

The following table sets forth, by product category, our revenue for the years ended December 31, 2011 and 2010:

	Year ended December 31,		% Change
	2010	2011	
	(€millions)		
<b>Revenue:</b>			
Body-in-White and Chassis . . . . .	2,631.5	3,788.6	44.0%
Mechanisms . . . . .	433.1	690.7	59.5%
Tooling and Other . . . . .	105.8	295.3	179.1%
<b>Total . . . . .</b>	<b>3,170.4</b>	<b>4,774.6</b>	<b>50.6%</b>

*Body-in-White and Chassis.* Revenue increased by €1,157.1 million, or 44.0%, to €3,788.6 million in 2011 from €2,631.5 million in 2010. This increase was primarily due to a €518.7 million increase in revenue in 2011 due to the fact that we consolidated the results of ThyssenKrupp Metal Forming for a five month period in 2011, increase in revenue in 2011 due to new contracts in the US, Russia, Brazil, Mexico, Argentina, China, India, Poland, the UK and Spain and increase in revenue associated with additional sales under existing contracts.

*Mechanisms.* Revenue increased by €257.6 million, or 59.5%, to €690.7 million in 2011 from €433.1 million in 2010. This increase was primarily due to the fact that we consolidated the results of Edscha for a twelve-month period in 2011.

*Tooling and Other.* Revenue increased by €189.5 million, or 179.1%, to €295.3 million in 2011 from €105.8 million in 2010. This increase was primarily due to completion of greenfield projects and sale of tooling kits for our new production lines in the US, Russia, Brazil, Mexico, Argentina, China, India, Poland, the UK and Spain.

#### **Operating expenses**

*Raw materials and other consumables.* Raw materials and other consumables increased by €1,125.4 million, or 55.2%, to €3,165.3 million in 2011 from €2,039.9 million in 2010. This increase was primarily due to the fact that we consolidated the results of Edscha for a twelve-month period in 2011, of the ThyssenKrupp Metal Forming for a five month period in 2011 and of Gestamp South Carolina LLC for a twelve-month period in 2011. The increase was also due to new contracts in the US, Russia, Brazil, Mexico, Argentina, China, India, Poland, the UK and Spain, additional sales under existing contracts and to increases in the price of steel. The higher percentage of increase in raw materials and other consumables in 2011 in contrast to revenue in 2011 is primarily due to increases in raw material prices and increases in the amount of material used, the latter in connection with try-outs in new projects in launch phase.

*Personnel Expenses.* Personnel expenses increased by €198.3 million, or 37.0%, to €733.9 million in 2011 from €535.6 million in 2010. This increase was primarily due to a €28.4 million increase in personnel expenses in 2011 due to the fact that we consolidated the results of Edscha for a twelve-month period in 2011, a €93.5 million increase in personnel expenses in 2011 due to the fact that we consolidated the results of ThyssenKrupp Metal Forming for a five month period in 2011, an increase in full time employees due to the ramp up of our new factories and the increase in the average salary of our employees.

*Depreciation, amortization and impairment losses.* Depreciation, amortization and impairment losses increased by €44.1 million, or 22.4%, to €240.6 million in 2011 from €196.5 million in 2010. This increase was primarily due to a €9.2 million increase in depreciation due to the fact that we consolidated the results of Edscha for a twelve-month period in 2011, a €26.8 million increase in depreciation due to the fact that we consolidated the results of ThyssenKrupp Metal Forming for a five month period in 2011 and higher depreciation due to our increased asset base compared to the prior year.

*Other Operating Expenses.* Other operating expenses increased by €148.1 million, or 46.4%, to €467.3 million in 2011 from €319.2 million in 2010. This increase was primarily due to a €22.8 million increase in other operating expenses due to the fact that we consolidated the results of Edscha for a

twelve-month period in 2011, a €63.8 million increase in other operating expenses due to the fact that we consolidated the results of ThyssenKrupp Metal Forming for a five month period in 2011 and an increase in other operating expenses associated with startup costs of projects in the US, Russia, Brazil, Mexico, Argentina, China, India, Poland, the UK and Spain.

#### ***Operating profit or loss***

Operating profit increased by €113.3 million, or 58.6%, to €306.8 million in 2011 from €193.5 million in 2010. This increase was primarily due to the fact that we consolidated the results of Edscha for a twelve-month period in 2011 and that we consolidated the results of ThyssenKrupp Metal Forming for a five month period in 2011. Operating margin, operating profit over revenue, has increased from 6.1% in 2010 to 6.4% in 2011 due to the fact that operating margins in Edscha are higher than the operating margins in the rest of our group, partially offset by the fact that the operating margins of ThyssenKrupp Metal Forming are lower than the operating margins in the rest of our group, as ThyssenKrupp Metal Forming is a newly acquired business that we are still in the process of integrating with the rest of our business.

#### ***EBITDA***

EBITDA increased by €157.4 million, or 40.4%, to €547.4 million in 2011 from €390.0 million in 2010 primarily due to a greater increase in revenue than in our operating expenses

#### ***Net financial expenses***

Net financial expense increased by €5.6 million, or 9.8%, to €62.5 million in 2011 from €56.9 million in 2010. This increase was primarily due to a weighted average increase in financial debt of €194.2 million for the year partially offset by a lower average effective interest rate than the prior year.

#### ***Income Tax***

Income tax expense increased by €24.4 million, or 73.9%, to €57.4 million in 2011 from €33.0 million in 2010, which has resulted in an increase in the average tax rate from 22.6% in 2010 to 25.0% in 2011. This increase in the income tax was primarily due to an increase in taxable income in 2011 generated in jurisdictions with higher tax rates like the US, Mexico, Brazil, Argentina and Germany.

#### ***Profit attributable to non-controlling interest***

Profit attributable to non-controlling interest increased by €2.4 million, or 141.2%, to €4.1 million in 2011 from €1.7 million in 2010. This increase in profit attributable to our non-controlling interest is attributable to the higher profits achieved by our subsidiaries in which third parties hold a minority interest, such as our joint ventures in China and Russia and our tooling companies and the fact that we consolidated the results of ThyssenKrupp Metal Forming for a five month period in 2011.

## Liquidity and capital resources

### Historical cash flows

The following tables set forth our historical cash flow items for the periods indicated:

	Year ended December 31,		
	2010	2011	2012
	(€millions)		
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>			
<b>Profit for the year before taxes and after minority interest</b> . . . . .	<b>144.4</b>	<b>225.9</b>	<b>246.6</b>
<b>Adjustments to profit</b> . . . . .	<b>267.2</b>	<b>292.4</b>	<b>344.4</b>
Depreciation and amortization of fixed assets . . . . .	196.5	239.5	280.6
Impairment of fixed assets . . . . .	—	1.1	(0.6)
Impairment . . . . .	11.5	6.6	18.5
Change in provisions . . . . .	3.3	(20.4)	(47.2)
Change in deferred tax . . . . .	2.4	—	—
Grants released to income . . . . .	(4.2)	(7.5)	(4.9)
Profit (loss attributable to non-controlling interests) . . . . .	1.7	4.1	16.0
Profit from disposal of fixed assets . . . . .	0.3	0.9	0.4
Profit from disposal of financial instruments . . . . .	0.2	—	0.3
Financial income . . . . .	(7.0)	(10.0)	(7.3)
Financial expenses . . . . .	63.9	72.5	87.5
Share of profits from associates—equity method . . . . .	(0.9)	2.4	(0.3)
Exchange rate differences . . . . .	(6.6)	11.7	1.5
Change in fair value of financial instruments . . . . .	(1.4)	—	—
Other income and expenses . . . . .	7.5	(8.5)	—
<b>Changes in working capital</b> . . . . .	<b>(61.5)</b>	<b>(129.6)</b>	<b>(85.6)</b>
(Increase) in Inventories . . . . .	(44.9)	(46.8)	(61.7)
(Increase)/Decrease in Trade and other receivables . . . . .	(145.3)	(39.6)	8.8
(Increase)/Decrease in other current assets . . . . .	2.7	22.9	0.1
Increase/(Decrease) in Trade and other payables . . . . .	123.5	(61.6)	(33.7)
Increase/(Decrease) in other current liabilities . . . . .	0.8	(3.8)	2.2
Other non-current assets and liabilities . . . . .	1.7	(0.7)	(1.2)
<b>Other cash-flows from operating activities</b> . . . . .	<b>(78.9)</b>	<b>(81.1)</b>	<b>(133.9)</b>
Interest paid . . . . .	(63.4)	(70.4)	(73.0)
Interest received . . . . .	4.8	10.3	5.6
Proceeds (payments) of income tax . . . . .	(20.4)	(21.0)	(66.4)
Other payments (proceeds) . . . . .	—	—	—
<b>Cash flows from operating activities</b> . . . . .	<b>271.2</b>	<b>307.6</b>	<b>371.5</b>
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>			
<b>Payments on investments</b> . . . . .	<b>(462.7)</b>	<b>(713.0)</b>	<b>(604.8)</b>
Group companies and associates . . . . .	(148.9)	(422.1)	(8.8)
Addition to consolidation scope . . . . .	2.5	64.1	—
Intangible assets . . . . .	(10.6)	(28.4)	(40.1)
Property, plant and equipment . . . . .	(303.1)	(299.4)	(533.9)
Other financial assets . . . . .	(2.4)	(6.0)	(22.0)
Other assets . . . . .	(0.2)	(21.2)	—
<b>Proceeds from divestments</b> . . . . .	<b>136.5</b>	<b>90.4</b>	<b>25.6</b>
Group companies and associates . . . . .	36.5	41.4	4.8
Intangible assets . . . . .	1.3	4.9	0.4
Property, plant and equipment . . . . .	12.2	16.2	4.8
Other financial assets . . . . .	86.2	27.1	15.6
Other assets . . . . .	0.3	0.8	—
<b>Cash flows from investing activities</b> . . . . .	<b>(326.1)</b>	<b>(622.7)</b>	<b>(579.2)</b>

	Year ended December 31,		
	2010	2011	2012
	(€ millions)		
<b>CASH FLOW FROM FINANCING ACTIVITIES</b>			
<b>Proceeds and payments on equity instruments</b> . . . . .	<b>55.7</b>	<b>145.9</b>	<b>4.4</b>
Change in non-controlling interests . . . . .	47.9	137.7	0.3
Grants, donations and legacies received . . . . .	7.8	7.8	4.1
Other equity movements . . . . .	—	0.3	—
<b>Proceeds and payments on financial liabilities</b> . . . . .	<b>153.0</b>	<b>128.0</b>	<b>242.6</b>
Issue: . . . . .	265.0	390.2	443.8
Interest-bearing loans and borrowings . . . . .	247.5	294.7	313.6
Borrowings from Group companies and associates . . . . .	7.6	57.5	47.1
Other borrowings . . . . .	9.9	38.1	83.1
Repayment of: . . . . .	(111.9)	(262.3)	(201.1)
Interest-bearing loans and borrowings . . . . .	(71.2)	(205.5)	(181.7)
Borrowings from Group companies and associates . . . . .	(32.9)	(46.9)	—
Other borrowings . . . . .	(7.8)	(9.9)	(19.4)
<b>Payments on dividends and other equity instruments</b> . . . . .	<b>(9.3)</b>	<b>(33.4)</b>	<b>(50.5)</b>
Dividends . . . . .	(9.3)	(33.4)	(50.5)
<b>Cash flows from financing activities</b> . . . . .	<b>199.4</b>	<b>240.5</b>	<b>196.5</b>
<b>Effect of changes in exchange rates</b> . . . . .	<b>—</b>	<b>(2.4)</b>	<b>(1.3)</b>
<b>NET INCREASE/DECREASE OF CASH OR EQUIVALENTS</b> . . . . .	<b>144.5</b>	<b>(77.0)</b>	<b>(12.5)</b>

#### *Cash flows from operating activities*

Our net cash flows from operating activities were €371.5 million in 2012 primarily attributable to the profit for the year before taxes and after non-controlling interest of €246.6 million, attributable to increased activity, depreciation and amortization of €280.6 million, working capital requirements of €85.6 million and payments of income tax of €66.4 million.

Our net cash flows from operating activities were €307.6 million in 2011 primarily attributable to profit for the year before taxes and after non-controlling interest of €225.9 million, attributable to increased activity, depreciation and amortization of €292.4 million, payments of income tax of €21.0 million and working capital requirements of €129.6 million.

Our net cash flows from operating activities were €271.2 million in 2010 primarily attributable to profit for the year before taxes and after non-controlling interest of €144.4 million, attributable to increased activity, depreciation and amortization of €196.5 million, payments of income tax of €20.4 million and working capital requirements of €61.5 million.

#### *Cash flows from (used in) investing activities*

Our net cash flows used in investing activities were €579.2 million in 2012, primarily attributable to €533.9 million used in investments in new projects in the US, Brazil and Russia and maintenance and replacement capital expenditure.

Our net cash flows used in investing activities were €622.7 million in 2011 attributable to €422.1 million used for acquisitions, of which €383.8 million was used for the acquisition of ThyssenKrupp Metal Forming and €299.4 million was used for new projects in Brazil, Argentina, Mexico, the US, China and India, and also attributable to maintenance and replacement capital expenditure partially offset by €90.4 million from divestments.

Our net cash flows used in investing activities were €326.1 million in 2010 attributable to €148.9 million used for acquisitions, of which €129.9 million was used for the acquisition of Edscha and €303.1 million was used for new projects in Brazil, Argentina, Mexico, the US, China and India, and also attributable to maintenance and replacement capital expenditure partially offset by €136.5 million from divestments.

### *Cash flows from financing activities*

Our net cash flows from financing activities were €196.5 million in 2012, attributable to an increase in our net indebtedness of €242.6 million and partially offset by payment of dividends to our shareholders of €50.5 million.

Our net cash flows from financing activities were €240.5 million in 2011, attributable to €137.7 million received from the sale of a minority interest in ThyssenKrupp Metal Forming and an increase in our net indebtedness of €128.0 million and partially offset by payment of dividends to our shareholders of €33.4 million.

Our net cash flows from financing activities were €199.4 million in 2010, attributable to an increase in our net indebtedness of €153.0 million, a €47.9 million increase in cash flows mainly due to the sale of our minority interest in our Russian business and partially offset by payment of dividends to our shareholders of €9.3 million.

### **Liquidity**

Our principal source of liquidity is our operating cash flow, which is analyzed above. Our ability to generate cash from our operations depends on our future operating performance, which is in turn dependent, to some extent, on general economic, financial, competitive, market, regulatory and other factors, many of which are beyond our control, as well as other factors discussed in the section entitled “*Risk Factors.*”

Following the issuance of the notes and the repayment of certain of our long-term indebtedness, our long-term indebtedness (excluding the notes and the Senior Facilities) will primarily consist of the €60.0 million Banc of America loan and €111.3 million of aggregate principal amount in other local facilities. See “Description of Other Indebtedness”.

Although we believe that our expected cash flows from operations, together with available borrowings and cash on hand, will be adequate to meet our anticipated liquidity and debt service needs, we cannot assure you that our business will generate sufficient cash flows from operations or that future debt and equity financing will be available to us in an amount sufficient to enable us to pay our debts when due, including the Notes, or to fund our other liquidity needs.

We believe that the potential risks to our liquidity include:

- a reduction in operating cash flows due to a lowering of operating profit from our operations, which could be caused by a downturn in our performance or in the industry as a whole;
- the failure or delay of our customers to make payments due to us;
- a delay by our customers to make payments due to us;
- a failure to maintain low working capital requirements; and
- the need to fund expansion and other development capital expenditures.

If our future cash flows from operations and other capital resources (including borrowings under our current or any future credit facility) are insufficient to pay our obligations as they mature or to fund our liquidity needs, we may be forced to:

- reduce or delay our business activities and capital expenditures;
- sell our assets;
- obtain additional debt or equity financing; or
- restructure or refinance all or a portion of our debt, including the notes, on or before maturity.

We cannot assure you that we would be able to accomplish any of these alternatives on a timely basis or on satisfactory terms, if at all. In addition, the terms of the notes and any future debt may limit our ability to pursue any of these alternatives.

In addition, historically we have paid dividends to our shareholders of €9.3 million in 2010, €33.4 million in 2011 and €50.5 million in 2012. Our board of directors has recently proposed the payment of a dividend of €51.0 million to our shareholders. This dividend payment is expected to be approved at a meeting of our



shareholders no later than June 30, 2013 and if approved, such dividend shall be paid no later than 60 days after June 30, 2013.

We are leveraged and have debt service obligations. As of December 31, 2012 and as adjusted to give pro forma effect to this offering, the entering into of the Senior Facilities Agreement, the Mitsui Investment and the transactions contemplated hereby, we would have had approximately €1,835.4 million of total financial debt. We anticipate that our leverage will continue for the foreseeable future. Our level of debt may have important negative consequences for you. See “Risk Factors—Risks related to the notes”.

### Working capital

The following table sets forth changes to our working capital for the periods indicated.

	As of December 31,		
	2010	2011	2012
	(€millions)		
(Increase)/Decrease in Inventories . . . . .	(44.9)	(46.8)	(61.7)
(Increase)/Decrease in Trade and other receivables . . . . .	(145.3)	(39.6)	8.8
(Increase)/Decrease in Other current assets . . . . .	2.7	22.9	0.1
Increase/(Decrease) in Trade and other payables . . . . .	123.5	(61.6)	(33.7)
Increase/(Decrease) in Other current liabilities . . . . .	0.8	(3.8)	2.2
Other non current assets and liabilities . . . . .	1.7	(0.7)	(1.2)
<b>Total . . . . .</b>	<b>(61.5)</b>	<b>(129.6)</b>	<b>(85.5)</b>

Our working capital requirements largely arise from our trade receivables, which are primarily composed of amounts owed to us by our customers, inventories primarily composed of raw materials (mainly steel) and other current assets which comprise receivables accounts with the public treasury by the advanced payments of taxes or refunds of taxes. Our trade payables primarily relate to trade payables to our suppliers for raw materials, services and fixed assets, other amounts to the public treasury for taxes and payments to our employees by way of salaries. We have historically funded our working capital requirements through funds generated from our operations, from borrowings under bank facilities and through funds from other finance sources.

Net working capital increased by €85.5 million in 2012 as compared to an increase of €129.6 million in 2011. In 2012, working capital requirements increased by €33.7 million primarily as a result of a reduction in the average days for payment of trade payables from 64 days in 2011 to 58 days in 2012, which in turn was largely due to new legislation in Spain requiring the earlier payment to suppliers and higher activity in jurisdictions with shorter average payment periods such as Germany and the US, partially offset by a reduction in the average days for collection of trade receivables from 47 days in 2011 to 41 days in 2012 due to higher activity in jurisdictions with shorter average payment periods such as Germany and the US and also as a result of an increase in our inventories due to increased levels of activity but with similar lead times for inventory as in the prior year. Working capital requirements increased by €61.7 million primarily due to an increase in the average days for raw materials from 18 days in 2011 to 23 days in 2012, which in turn was largely attributable to stocks in new facilities that were in ramp-up phase.

Net working capital requirements increased in 2011 by €129.6 million as compared to an increase of €61.5 million in 2010. This was primarily attributable to a reduction in the average days for payment of trade payables from 71 days in 2010 to 64 days in 2011 due to new legislation in Spain requiring the earlier payment to suppliers and higher activity in jurisdictions with shorter average payment periods such as Germany and the US, partially offset by a reduction in the average days for collection of trade receivables from 51 days in 2010 to 47 days in 2011 due to higher activity in jurisdictions with shorter average payment periods such as Germany and the US.

We anticipate that our working capital requirements in the foreseeable future will generally be stable as a percentage of revenue. However, these requirements can fluctuate for a variety of factors, including any significant increase in receivables due to longer time periods to collect payment from our customers or a substantial increase in the cost of our raw materials. We undertake both non-recourse and recourse factoring in relation to our trade receivables. Under our non-recourse factoring, we transfer our trade receivables to banks that pay us the entire amount of the receivable. Payments from our customers are made into a designated bank account and we pass on the payment to the factor with an additional interest payment. The receivables balances transferred by us as non-recourse factoring to Spanish, German and

Polish banks, that have been eliminated in our financial statements amounted to €119.7 million in 2012 as compared to €44.8 million in 2011. The expense of transferring receivables balances through non-recourse factoring contracts amounted to €0.8 million in 2012 as compared to €0.3 million in 2011. There are no off-balance sheet arrangements associated with our factoring arrangements.

### Capital expenditures

The following table sets forth our capital expenditures for the periods indicated:

	As of December 31,		
	2010	2011	2012
	(€millions)		
Capital expenditures . . . . .	230.0	340.4	590.9
Net proceeds used in (from) acquisition and disposal . . . . .	112.4	380.7	4.0

Capital expenditures during 2010, 2011 and 2012 amounted to approximately €230.0 million, €340.4 million and €590.9 million. We define capital expenditures as consisting primarily of expenditure on property, plant and equipment. This includes expenditure on new manufacturing plants and expansion of existing plant capacity for new production lines, maintenance capital expenditure comprising expenditures on maintenance of machinery and buildings, improvements of existing plants driven by health and safety and noise reduction concerns and replacement capital expenditure incurred when we change the engineering of our production platforms in connection with new models. Replacement capital expenditure is primarily incurred in connection with updating our welding and assembly cells and equipment, given that the most costly categories of our infrastructure, such as land, buildings and press equipment, have long lives and can be adapted with relatively low expenditure for replacement or renewal business. Our estimated capital expenditure budget for 2013 is similar to our capital expenditure in 2012 as we will complete in 2013 certain of our greenfield projects from prior years. However, in 2014 and 2015, we expect that our capital expenditure will be substantially less than 2012 and 2013 as we expect to consolidate our expansion and acquisitions from prior years.

We define acquisitions and dispositions to include cash flows used in investments in group companies and associates less cash flows from divestments of group companies and associates.

### Contractual obligations

We have contractual commitments providing for payments primarily pursuant to our outstanding financial debt, including the financial obligations arising from the notes but excluding financial derivatives.

Our consolidated contractual obligations as of December 31, 2012, after giving pro forma effect to this offering, the entering into of the Senior Facilities Agreement, the Mitsui Investment and the application of the proceeds therefrom, were as follows:

	Total	Less than 1 year	1-5 years	More than 5 years
	(€millions)			
<b>Contractual Obligations</b>				
Interest bearing loans and borrowings . . . . .	1,810.3	208.0	763.9	838.4
Financial leases . . . . .	25.1	1.6	6.3	17.2
<b>Total Financial Debt . . . . .</b>	<b>1,835.4</b>	<b>209.6</b>	<b>770.2</b>	<b>855.6</b>
Operating leases . . . . .	239.2	39.6	122.6	77.0
Non interest bearing loans . . . . .	15.4	—	7.2	8.2
Current non-trade liabilities . . . . .	153.2	153.2	—	—
<b>Total Contractual Obligations . . . . .</b>	<b>2,243.2</b>	<b>402.4</b>	<b>900.0</b>	<b>940.8</b>

### Off-balance sheet arrangements

We generally do not utilize off-balance sheet arrangements. Under our agreement with Liberty, we have an option to purchase the shares in GMF Holding, held by Tocqueville, for a fixed purchase price of €104.0 million on or prior to September 30, 2013. If we fail to exercise the Liberty option and if the sale price realized by Liberty in a sale to a third party or third parties is lower than €104.0 million, then we will be obligated to pay Liberty an amount such that the minority shareholder would receive an aggregate of

€104.0 million for its shares. Under the terms of the Société Générale Guaranteed Back-up Facility Agreement, in the event that Tocqueville Capital Company, B.V. receives an amount of less than €104.0 million in the sale of its shares in GMF Holding to a third party, Société Générale has agreed to make available to Gestamp Metalbages, S.A. a term loan facility up to €104.0 million that allows Tocqueville Capital Company, B.V. to receive an aggregate of €104.0 million. The Société Générale Guaranteed Back-up facility Agreement terminates on September 5, 2013. Further, we have also given a guarantee in respect of the EIB loan and the ICO loan. Please see “Description of Other Indebtedness—Existing Debt Facilities—EIB loan and ICO loan”.

### **Critical accounting policies**

Our financial statements and the accompanying Notes contain information that is pertinent to this discussion and analysis of our financial position and results of operations. The preparation of financial statements in conformity with IFRS requires our management to make estimates and assumptions that affect the reported amount of assets, liabilities, revenue and expenses, and the related disclosure of contingent assets and liabilities. Estimates are evaluated based on available information and experience. Actual results could differ from these estimates under different assumptions or conditions. For a detailed description of our critical accounting policies, see Note 2.4 to our consolidated financial statements for the years ended December 31, 2012, 2011 and 2010 included elsewhere in these listing particulars.

### **Market risks**

Our treasury team is responsible for managing our exposure to financial risk and for minimizing the potential adverse effects on our financial returns. We are primarily exposed to market risk from changes in foreign currency exchange rates and interest rates and we are also exposed to liquidity risk and credit risk. We manage our exposure to these market risks through our regular operating and financing activities.

### ***Foreign currency risks***

In the year ended December 31, 2012, €3,171.9 million of our revenues (which represented approximately 55.1% of our revenue for that period), on a consolidated basis, were generated in currencies other than the Euro. Our strategy for managing currency risk relies primarily on conducting business and making investments in a foreign country in that country’s currency. The effects on us of foreign currency fluctuations are mitigated by the fact that expenses are generally incurred in the same currency in which revenues are generated.

However, fluctuations in the exchange rate between the currency in which a transaction is denominated and our presentation currency, the euro, can have some negative or positive impact on our profit or loss, specifically affecting management of our financial debt.

We mainly operate in the following currencies: Argentine Peso, Brazilian Real, Chinese Yuan, Czech Crown, Euro, GB Pound, Hungarian Forint, Indian Rupee, Korean Won, Mexican Peso, Polish Zloty, Russian Ruble, Swedish Crown, Taiwanese Dollar, Turkish Lira, US Dollar and Japanese Yen.

To manage exchange rate risk, we use a series of financial instruments that give us a degree of flexibility, essentially comprised of the following:

- Foreign currency forward contracts: These arrangements lock in the price at which an entity can buy or sell a currency on a set date; the timing can be adjusted to align the transactions with the hedged cash flows.
- “Puttable instruments”: Other derivatives are also used to hedge currency risk, including those designed to lock in a maximum or minimum exchange rate (collar or tunnel) at a set settlement date.

The following table demonstrates the notional impact on our profits of a 5% positive and negative fluctuation in the currencies specified against the Euro:

Currency	2012	
	Impact on Profit	
	(€'thousands)	
	5% Fluctuation	– 5% Fluctuation
Swedish krona	46	(46)
US dollar	452	(452)
Hungarian florint	(172)	172
Sterling	655	(655)
Mexican peso	644	(644)
Brazilian reais	316	(316)
Chinese renminbi	743	(743)
Indian rupee	199	(199)
Turkish lira	267	(267)
Argentine peso	552	(552)
Russian ruble	335	(335)
Korean won	(64)	64
Polish zloty	141	(141)
Czech koruna	232	(232)
Japanese yen	(49)	49
Taiwanese dollar	2	(2)
<b>Impact in absolute terms . . . . .</b>	<b>4,299</b>	<b>(4,299)</b>
<b>Effect in relative terms . . . . .</b>	<b>2.53%<sup>(1)</sup></b>	<b>(2.53)%<sup>(1)</sup></b>

(1) Effect in relative terms is calculated by dividing impact in absolute terms by Profit attributable to equity holders of parent company of €170.1 million.

We hold hedges contracted for net foreign investments to cover the exposure to changes in exchange rates with respect to the interest in the net assets of foreign operations. These financial derivatives hedging net foreign investments are initially recognized in our balance sheet at acquisition cost and, subsequently, they are marked to market. Any gains or losses arising from changes in the market value of derivatives in respect of the ineffective portion of an effective hedge are taken directly to the consolidated income statement, while gains or losses on the effective portion are recognized in “Effective hedges” within “Retained earnings” with respect to cash flow hedges, and in “Translation differences” with respect to net foreign investment hedges. The cumulative gain or loss recognized in equity is taken to the consolidated income statement when the hedged item affects profit or loss or in the year of disposal of the item. Derivatives are recognized as assets when the fair value is positive and as liabilities when the fair value is negative.

#### **Interest rate risks**

Our borrowings mainly bear interest at floating rates, exposing us to risk from fluctuations in market interest rates, so that market fluctuations affect cash flows. We mitigate this risk by using interest rate derivatives/hedges, through entities that operate on organized markets. These instruments are used to hedge exposure to fluctuations in floating interest rates on a portion of the bank loans granted to us and on a portion of expected future borrowings. We use mainly swaps, by which we convert the floating rate on a loan into a fixed rate. We may swap the rate on a portion of the loan or on the entire loan, and for its entire duration or a part thereof. Virtually all of our borrowings are at floating rates indexed to Euribor.

Assuming a 35 basis point variation in the average interest rate on our euro denominated financial borrowings and assuming that all other variables remained constant, the finance cost would have been €0.34 million, €0.98 million and €1.09 million higher or lower in 2010, 2011 and 2012 respectively.

#### **Liquidity risk**

Liquidity risk is defined as the risk that a company will not be able to service its commitments as a result of adverse conditions in the debt markets that prevent or hinder its capital raising efforts. We manage

liquidity risk by maintaining sufficient cash balances to enable us to negotiate refinancing on the best possible terms and to cover our near term cash outlays, thereby avoiding the need to raise funds on disadvantageous terms.

#### ***Credit risk***

Credit risk is concentrated primarily in our accounts receivable. Our management considers that our counterparties are creditworthy, multinational companies. We manage our credit risk according to policies, procedures and controls determined by us regarding credit risk management of customers. At each closing date, we analyze on the basis of real historical data the balances of each major client individually in order to determine the need for provisions or impairment. We have no guarantee on debts and have concluded that the risk concentration is low given that our customers belong to distinct jurisdictions and operate in highly independent markets. Our credit risk with banks is managed by our treasury department according to our policies. The surplus cash investments are contracted only with authorized counterparties and always within the credit limit assigned for each counterparty. The limits are established in order to minimize risk concentration, thereby mitigating financial losses in the event of a default by the counterparty. Our maximum exposure to credit risk at December 31, 2010, 2011 and 2012 amounts to the carrying values, except for financial guarantees and derivative financial instruments.

#### ***Commodity risk***

The primary raw material used in our business is steel. We are mostly neutral to changes in the price of steel as a result of our pass-through arrangements with OEMs, which provide us a natural hedge.

### **Unaudited financial data for the quarter ended March 31, 2013**

#### ***Results of operations***

The table below sets out our unaudited results of operations for the quarter ended March 31, 2013. The results are divided between results attributable to (i) the Parent Guarantor; (ii) those subsidiaries of the Parent Guarantor that will unconditionally guarantee the notes (the “Guarantor Subsidiaries”); and (iii) those subsidiaries of the Parent Guarantor that will not guarantee the notes (the “Non-Guarantor Subsidiaries”), together with consolidation adjustments.



	PARENT GUARANTOR	GUARANTOR SUBSIDIARIES	NON GUARANTOR SUBSIDIARIES	CONSOLIDATED ADJUSTMENTS	TOTAL
	(in thousands of euros)				
<b>Income Statement Data</b>					
<b>Operating income</b> . . . . .	483	1,094,704	755,200	– 424,693	1,425,694
Revenue . . . . .	0	1,075,770	680,772	– 379,010	1,377,532
Other operating income . . . . .	483	17,165	10,260	– 8,948	18,960
Changes in inventories . . . . .	0	1,769	64,168	– 36,735	29,202
<b>Operating expenses</b> . . . . .	669	– 1,075,937	– 724,456	437,973	– 1,361,751
Raw materials and other consumables . . . . .	0	– 761,455	– 497,887	392,242	– 867,100
Personnel expenses . . . . .	– 62	– 162,157	– 106,307	7,914	– 260,612
Depreciation, amortization and impairment losses . . . . .	0	– 36,656	– 30,321	– 6,866	– 73,842
Other operating expenses . . . . .	730	– 115,669	– 89,941	44,683	– 160,197
<b>OPERATING PROFIT</b> . . . . .	1,152	18,767	30,744	13,281	63,943
Finance income . . . . .	26,528	15,626	14,738	– 54,373	2,520
Finance costs . . . . .	– 14,735	– 40,031	– 31,079	60,413	– 25,433
Exchange (losses) gains . . . . .	1,006	20,538	2,323	– 22,757	1,110
Share of profit from associates— equity method . . . . .	0	0	0	191	191
Changes in fair value of financial instruments . . . . .	0	0	0	0	0
Impairment of and gains (losses) on sale of financial instruments . . . .	0	– 15	0	0	– 15
<b>NET FINANCE EXPENSE</b> . . . . .	12,799	– 3,882	– 14,018	– 16,526	– 21,628
<b>PROFIT BEFORE TAXES</b> . . . . .	13,951	14,885	16,726	– 3,246	42,316
Income tax . . . . .	0	– 4,174	3,723	– 12,212	– 12,663
<b>PROFIT FOR THE YEAR (from continuing operations)</b> . . . . .	13,951	10,711	20,448	– 15,457	29,653
Profit for the year attributable to non-controlling interests . . . . .	0	0	0	– 1,536	– 1,536
<b>PROFIT FOR THE YEAR ATTRIBUTABLE TO EQUITY HOLDER OF THE PARENT</b> . . . . .	13,951	10,711	20,448	– 16,993	28,117

### Balance sheet data

The table below sets out our unaudited balance sheet data as at March 31, 2013. The balance sheet line-items are divided between items attributable to (i) the Parent Guarantor; (ii) the Guarantor Subsidiaries; and (iii) Non-Guarantor Subsidiaries, together with consolidation adjustments.

	PARENT GUARANTOR	GUARANTOR SUBSIDIARIES	NON GUARANTOR SUBSIDIARIES	CONSOLIDATED ADJUSTMENTS	TOTAL
	(in thousands of euros)				
<b>Balance Sheet Data</b>					
<b>ASSETS</b>					
<b>NON-CURRENT ASSETS</b>					
Intangible assets . . . . .	16,275	28,946	48,347	145,452	239,019
Goodwill . . . . .	0	– 3,923	0	142,441	138,519
Other intangible assets . . . . .	16,275	32,869	48,347	3,011	100,501
Property, plant and equipment . . . . .	0	903,046	1,278,715	336,494	2,518,255
Land and buildings . . . . .	0	289,703	304,573	253,512	847,788
Plant and other PP&E . . . . .	0	464,531	644,460	74,555	1,183,546
PP&E under construction and prepayments . . . . .	0	148,813	329,682	8,427	486,922
Investments in associates accounted for using equity method . . . . .	316,756	1,415,192	1,125,331	– 2,851,122	6,157
Other non-current financial assets . . . . .	989,253	808,349	387,068	– 2,119,826	64,845
Loans and receivables . . . . .	988,783	807,199	382,785	– 2,127,772	50,995
Derivatives in effective hedges . . . . .	469	0	0	7,597	8,066
Other non-current financial assets . . . . .	1	1,150	4,283	350	5,784
Deferred tax assets . . . . .	0	84,064	44,541	50,629	179,234
<b>TOTAL NON-CURRENT ASSETS . . . . .</b>	<b>1,322,284</b>	<b>3,239,597</b>	<b>2,884,001</b>	<b>– 4,438,371</b>	<b>3,007,511</b>
<b>CURRENT ASSETS</b>					
Inventories . . . . .	1	241,434	472,193	– 188,945	524,683
Raw materials and other consumables . . . . .	0	88,650	161,034	– 22,223	227,461
Work in progress . . . . .	0	73,742	206,931	– 146,943	133,730
Finished products and by-products . . . . .	0	65,211	42,573	– 85	107,699
Prepayments to suppliers . . . . .	1	13,831	61,656	– 19,695	55,793
Trade and other receivables . . . . .	24,868	927,955	851,072	– 690,234	1,113,661
Trade receivables . . . . .	7,481	841,332	714,222	– 665,397	897,638
Other receivables . . . . .	– 1	35,143	20,513	– 22,537	33,118
Current income tax assets . . . . .	17,363	6,350	7,359	73	31,145
Current tax receivables . . . . .	25	45,131	108,978	– 2,374	151,760
Other current assets . . . . .	350	6,551	3,723	3,049	13,673
Other current financial assets . . . . .	56,698	142,340	331,996	– 477,720	53,315
Loans and receivables . . . . .	56,691	141,556	315,458	– 477,551	36,153
Securities portfolio . . . . .	0	76	10,661	0	10,737
Other current financial assets . . . . .	7	708	5,877	– 169	6,424
Cash and cash equivalents . . . . .	15,493	14,699	178,320	– 8,329	200,182
<b>TOTAL CURRENT ASSETS . . . . .</b>	<b>97,410</b>	<b>1,332,979</b>	<b>1,837,304</b>	<b>– 1,362,178</b>	<b>1,905,514</b>
<b>TOTAL ASSETS . . . . .</b>	<b>1,419,693</b>	<b>4,572,575</b>	<b>4,721,305</b>	<b>– 5,800,550</b>	<b>4,913,024</b>

	PARENT GUARANTOR	GUARANTOR SUBSIDIARIES	NON GUARANTOR SUBSIDIARIES	CONSOLIDATED ADJUSTMENTS	TOTAL
	(in thousands of euros)				
<b>EQUITY AND LIABILITIES</b>					
Equity attributable to equity holders of the parent . . . . .	722,587	1,076,246	2,086,185	– 2,580,431	1,304,587
Share capital . . . . .	288,237	464,804	1,422,418	– 1,887,221	288,237
Share premium . . . . .	61,591	93,018	540,275	– 633,293	61,591
Reserves and retained earnings . .	372,759	495,687	143,822	– 42,246	970,022
Translation differences . . . . .	0	22,737	– 20,329	– 17,671	– 15,263
Equity attributable to non-controlling interests . . . . .	0	0	0	303,376	303,376
<b>TOTAL EQUITY . . . . .</b>	<b>722,587</b>	<b>1,076,246</b>	<b>2,086,185</b>	<b>– 2,277,055</b>	<b>1,607,963</b>
<b>NON-CURRENT LIABILITIES</b>					
Deferred income . . . . .	0	24,098	4,092	4,033	32,223
Provisions . . . . .	0	68,402	7,990	76,178	152,570
Non-trade liabilities . . . . .	831,988	1,764,884	1,170,063	– 2,480,195	1,286,740
Interest-bearing loans and borrowings . . . . .	794,333	160,268	451,423	– 315,352	1,090,672
Derivate financial instruments . .	37,655	0	0	8,181	45,836
Other non-current financial liabilities . . . . .	0	1,604,616	718,640	– 2,173,024	150,232
Deferred tax liabilities . . . . .	0	14,332	27,755	139,928	182,015
Other non-current liabilities . . . . .	0	1,069	655	– 472	1,252
<b>TOTAL NON-CURRENT LIABILITIES . . . . .</b>	<b>831,988</b>	<b>1,872,784</b>	<b>1,210,556</b>	<b>– 2,260,528</b>	<b>1,654,801</b>
<b>CURRENT LIABILITIES</b>					
Non trade liabilities . . . . .	– 135,526	770,105	666,411	– 697,010	603,981
Interest-bearing loans and borrowings . . . . .	300,300	98,117	153,144	– 80,144	471,417
Other current financial liabilities .	– 435,826	671,988	513,268	– 616,866	132,564
Trade and other payables . . . . .	644	839,119	755,382	– 566,701	1,028,445
Trade accounts payable . . . . .	628	720,018	647,530	– 568,939	799,237
Current tax liabilities . . . . .	0	– 16,009	– 53,715	103,278	33,554
Other accounts payable . . . . .	16	135,110	161,568	– 101,040	195,654
Current provisions . . . . .	0	9,869	2,337	269	12,474
Other current liabilities . . . . .	0	4,452	434	475	5,361
<b>TOTAL CURRENT LIABILITIES . . .</b>	<b>– 134,881</b>	<b>1,623,545</b>	<b>1,424,564</b>	<b>– 1,262,967</b>	<b>1,650,261</b>
<b>TOTAL LIABILITIES . . . . .</b>	<b>697,107</b>	<b>3,496,329</b>	<b>2,635,120</b>	<b>– 3,523,495</b>	<b>3,305,061</b>
<b>TOTAL EQUITY AND LIABILITIES .</b>	<b>1,419,693</b>	<b>4,572,575</b>	<b>4,721,305</b>	<b>– 5,800,550</b>	<b>4,913,024</b>

## INDUSTRY

*You should read the following discussion together with the sections entitled “Selected Financial Information”, “Risk Factors” and “Forward-Looking Statements”.*

### Introduction

The automotive industry designs, develops, manufactures, markets, sells and services motor vehicles which are classified into light vehicles and heavy commercial vehicles. The light vehicle segment is comprised of passenger cars, vans and light trucks (with gross vehicle weight of less than six tons), while the heavy commercial vehicle segment consists of vehicles with gross vehicle weight greater than six tons.

The automotive production value chain is split between OEMs such as Daimler, Ford, General Motors, Toyota and Volkswagen and automotive suppliers, such as Bosch, Continental, Denso and Magna International. Automotive suppliers are then further categorized into three different tiers. Tier 1 suppliers sell their products directly to OEMs. Typically these products are larger modules or systems which integrate components from Tier 2 automotive suppliers. Tier 2 suppliers in turn typically integrate products from a further layer of suppliers (Tier 3 suppliers). A clear delineation of the suppliers as Tier 1, Tier 2 or Tier 3 is not always possible because suppliers often manufacture and sell numerous products or product groups.

Automotive suppliers can also be categorized as captive or independent. Captive suppliers are fully or partially owned by OEMs or serve a single OEM (one example would be the Keiretsu system in Japan). Independent suppliers like Gestamp are not owned by OEMs and can serve multiple OEMs. In addition, some components are sold directly to the independent automotive aftermarket rather than to the OEMs and their own aftermarket networks.

The group of automotive suppliers is typically further divided into sub-segments based on their components' function within the car. Each of these sub-segments is comprised of various product groups. A typical classification of automotive suppliers by vehicle function could include the following sub-segments: powertrain, body and structural, electronics, interior, transmission, suspension, climate control, wheels & tires, steering, fuel systems, passenger restraints, audio & telematics, exhaust and body glass. There are many different market leaders in the respective market niches. Consequently, a consistent definition of these niche markets does not often exist, and it is very difficult to determine the market position of an individual supplier by using objective criteria.

### Overview of body and structural market

We mainly act as a Tier 1 supplier to OEMs in the body and structural market. The body and structural market in the broader sense is comprised of all the products and components that form the structural elements of the car as well as its outer skin. Body and structural components typically represent a substantial part of the overall vehicle weight. Products that are typically included within this category include among others: bumpers (also including shocks), chassis, cross members, doors (also including frames and panels), fascias, fenders, floors, grilles, handles, hinges, hoods (also including liners, releases and support rods), latches, locking systems, pedal boxes, rails, reflectors, roll bars, roofs, side body panels, skid plates, splash guards, spoilers, subframes, wheel arches and window regulators.

Key trends in the body and structural market include the push towards further weight reduction aimed at lowering fuel consumption and, thereby, carbon dioxide emissions. This is being achieved through gradual weight optimization within established component technologies as well as through the development of new, lighter technologies and materials. Examples for new technologies and materials include the use of alternative materials for body components, such as replacing conventional steel components with parts made of high strength steel, aluminum or carbon fiber reinforced plastics. Manufacturing components from lighter materials such as aluminum typically comes with substantial cost increases compared to conventional steel parts, with disproportionate increases in cost for the lightest materials, and so demand for such parts is currently limited.

The drive towards weight reduction in body and structural components is partially driven by governmental regulation concerning carbon dioxide and emission standards throughout the industrial world, including the European Union, the United States and Japan, as well as by increasing cost and environmental awareness among end product consumers.

The body and structural market is also characterized by increasing safety standards. Together with dedicated passive safety parts such as airbags and seatbelts, body and structural components protect car occupants in the case of a crash and also directly influence the damage inflicted on other parties involved in a collision.

The body and structural market is additionally impacted by trends affecting the automotive sector in general described under “—Market and industry trends”.

### **Market development by region**

As an automotive supplier, our revenue development is linked to the development of automotive production numbers and changes in the content per vehicle for the automotive components we produce. The following is a brief description of selected historical and forecast light vehicle production in key regions and selected countries in which we operate, as well as selected annualized growth rates in production. Both historical and forecast data is based on data published by an independent third party provider. There can be no assurance that any of the forecasts presented below will be accurate.

#### ***Western Europe***

Following the financial crisis in 2008/2009, the automotive industry in Western Europe went through a challenging period with several supplier insolvencies, substantial overcapacity and capacity reduction efforts, as well as reduced investment. Thereafter, Western Europe experienced a period of strong growth in automotive production, from 13.4 million vehicles in 2009 to 16.6 million vehicles in 2011 (representing a CAGR of 11.4%). Growth during this period was particularly strong in Germany and the United Kingdom, which experienced automotive production growth between 2009 and 2011 at a CAGR of 9.5% and 15.7%, respectively.

By 2017, automotive production in the region is expected to grow to 18.0 million vehicles, representing a 2011-17 CAGR of 1.4%. This figure varies from country to country, for example automotive production growth of (1.8)% is expected in France, 0.3% in Germany, and 2.2% in Spain. In general, the region continues to have some overcapacity. This trend has encouraged OEMs to focus growth in production facilities towards Eastern Europe and to Asia where demand continued to grow throughout the financial crisis.

#### ***Eastern Europe***

A production shift from Western to Eastern Europe has gradually taken place over the past decade. This trend was reinforced with the introduction of so-called ‘scrapping schemes’ by a number of European countries in 2008/2009 (since withdrawn), including Austria, France, Germany and Spain. The schemes were designed to support the automotive industry during the crisis, and offered ‘scrappage’ premiums to consumers buying a new car, in return for “scrapping” their older cars. The schemes tended to favor smaller, low-cost vehicles, a significant portion of which were produced in Eastern Europe. This helped to drive automotive production growth in Eastern Europe from 3.1 million vehicles in 2009 to 3.6 million vehicles in 2011, representing a 2009-11 CAGR of 6.9%. Continued investment by OEMs in the region is expected, given the competitive labor costs and local demand for light vehicles with OEMs steadily expanding their presence. Consequently, automotive production is expected to increase to 3.9 million vehicles in 2017, representing a 2011-17 CAGR of 1.4%.

#### ***North America***

North American car manufacturers faced significant challenges in the 2008-09 crisis, and the US government provided “bail-outs” to Chrysler and General Motors. Subsequently, production volumes rebounded from 8.6 million vehicles in 2009 to 13.1 million vehicles in 2011, representing a CAGR of 23.7%. This growth was driven by improvement in the broader macroeconomic environment and consumer sentiment, as well as low interest rates. By 2017, automotive production in the region is projected to grow to 17.6 million vehicles, representing a CAGR of 5.0%. A continuing trend in North America is the fast growing European “transplants”, or localization of European OEM production capacity in North America.



## *South America*

Automotive production in South America experienced significant growth between 2009 and 2011, growing from 3.7 million vehicles to 4.3 million vehicles, representing a CAGR of 8.1%. By 2017, automotive production is projected to reach 5.8 million vehicles, representing a CAGR of 4.9%.

Within South America, Brazil is the largest automotive production market. Automotive production in Brazil grew from 2.9 million vehicles in 2009 to 3.2 million vehicles in 2011, representing a CAGR of 3.7%. By 2017, automotive production is projected to reach 4.2 million vehicles, representing a CAGR of 5.1%. The Brazilian government introduced tariffs and raised the tax on imported cars at the end of 2011, with further measures including tax breaks for OEMs if they did more engineering work in Brazil and used Brazilian automotive suppliers. On the demand side, Brazil introduced tax breaks on vehicles in 2012 to stimulate both sales and production.

## *Asia*

The key automotive manufacturing countries in the region are China, followed by Japan, Korea and India. Overall, the crisis had a limited impact on the region, but was more pronounced in Japan and Korea, with Chinese manufacturing volumes remaining strong through the cycle. Automotive production in Asia grew from 28.6 million vehicles in 2009 to 36.5 million vehicles in 2011, representing a CAGR of 13.1%. By 2017, automotive production is projected to reach 52.1 million vehicles, representing a CAGR of 6.1%.

In recent years, China has become a key growth market with a number of OEMs and suppliers establishing production facilities in the country. As a result, automotive production in China grew at a CAGR of 16.0% between 2009 and 2011 (from 12.8 million vehicles in 2009 to 17.3 million vehicles in 2011), and is projected to grow at a CAGR of 8.2% between 2011 and 2017 (to 27.7 million vehicles in 2017). A similar trend is observed in India, where automotive production grew at a CAGR of 20.9% between 2009 and 2011 (from 2.5 million vehicles in 2009 to 3.6 million vehicles in 2011), and is projected to grow at a CAGR of 9.3% between 2011 and 2017 (to 6.1 million vehicles in 2017).

## **Market and industry trends**

The global automotive supplier market is characterized by the following trends and growth factors:

### ***The regional shift of the automotive industry will continue, intensified by the continuous increase in demand for vehicles in growth markets***

The automotive industry has become increasingly global with numerous production plants being established in growth markets. OEMs are locating production facilities to these regions in order to satisfy increasing local demand, most notably from China and India. Market penetration in growth countries remains low. This trend is also expected to apply to automotive suppliers, whereby suppliers will follow their OEM customers and establish production facilities in close proximity to those of the vehicle manufacturers. The Chinese and Indian auto supplier markets have grown significantly over the last ten years, even throughout the 2008/2009 crisis, and their high growth rates are expected to be sustained in the coming years.

### ***The move to common platforms is resulting in increased consolidation and closer cooperation between suppliers and OEMs***

The automotive supplier industry is currently in a transition phase. Consolidation is expected to continue driven by cooperation amongst OEMs, strengthened common platform strategies (utilization of the same core car design platform for various distinct models) and the restructuring and insolvency of midsize suppliers. Consequently a number of larger suppliers will evolve which are able to produce large volumes, are financially sound and have a broad product offering. This new generation of automotive suppliers is expected to have a closer relationship with OEMs and stronger bargaining power than their midsize competitors. The increased specialization and “modularization” (production of components with standardized product features, which can be used for a wider range of vehicles) will enable suppliers to manufacture larger volumes of certain products. OEMs are developing a collaborative relationship with their suppliers, which has allowed them to optimize the value chain and better position them for structural challenges in the automotive industry. For suppliers, this collaboration is important as it allows them to avoid redundant investments and reduce their product development costs. Such strategic partnerships hold potential for cost reduction.

***The market share of low-cost and premium automotive segments is expected to increase at the expense of the volume segment***

In the long term, the automotive market is expected to shift focus away from mid-market towards low-tech and low-cost vehicles on the one hand and function-oriented, innovative vehicles for premium customers on the other. By the year 2015, low-cost segment market share is expected to increase to approximately 20% (11% in 2005) with the share of the premium segment increasing to approximately 26% (22% in 2005). In recent years, the market share of low-cost passenger cars (i.e. cars costing less than US\$10,000 / €7,000) has been increasing, predominantly in China, India, Brazil and Eastern Europe, and sales of small passenger cars are expected to grow further. These cars are mainly manufactured and sold in high-growth countries in Asia, as well as in Brazil and Eastern Europe. Growth in the premium segment is also expected to be driven by growth markets, including China, India, the Middle East and Africa. Vehicles in the premium segment tend to be more technologically advanced in each sub-segment of automotive components, including body and structural.

***Stricter carbon dioxide emission regulations worldwide forcing OEMs to improve fuel efficiency and environmental friendliness of vehicles***

The development and production of fuel-efficient vehicles is a key growth trend in the automotive sector. It is driven by consumers' preference to save money on fuel (particularly given rising oil prices) and regulatory factors. Furthermore, increasing social and environmental awareness among end consumers is expected to play a greater role in vehicle purchase decisions. Consequently, OEMs face on-going pressure to improve the fuel efficiency of their vehicles and thereby reduce carbon dioxide emissions. The regulatory obligation to improve the efficiency of existing technologies and to develop new environmentally-friendly technologies, aimed at reducing fuel consumption and a consequent reduction in carbon dioxide emissions, is becoming a key focus for OEMs given stringent carbon dioxide consumption and emission standards throughout the industrial world, including the European Union, the United States, China and Japan. For example, to avoid the imposition of penalty payments EU car manufacturers' fleet average for passenger cars must comply with carbon dioxide emission limits of 130 g/km by 2015, and this target is proposed to reduce to around 95g/km by 2020.

***Emission of pollutant substances (other than carbon dioxide) by vehicles will also be reduced, especially by vehicles with diesel engines***

The development and production of innovative components and systems contributing to emission reduction is a key growth area in the automotive sector. Many countries have adopted emission regulations which set limits on the amount of pollutants that new vehicles can emit. These regulations limit, in particular, the emission of carbon monoxide, nitrogen oxides, hydrocarbons and particulate matter, all of which are considered harmful to human health. Within the next several years emission limits worldwide are expected to become increasingly restrictive given growing environmental awareness. Regulations have been adopted in both developed and in growth markets; Brazil, India and China, for example, tend to adopt similar regulations a few years after they have been approved in Europe. The emission limits for nitrogen oxides and particulate matters emitted by diesel vehicles are expected to face most substantial reductions. In the European Union, for example, the regulatory standard Euro 6, which will become compulsory for all new passenger cars in 2015, reduces the emission limit of nitrogen oxides for diesel vehicles from 180 mg/km today to 80 mg/km. The tightening of emission regulation worldwide will drive demand for more eco-friendly products, forcing OEMs and suppliers to develop innovative components and systems which comply with the more restrictive emission legislation.

***Increasing number of electric and hybrid cars and the emergence of hydrogen-powered vehicles***

Consumers are becoming increasingly environmentally conscious and this is affecting their vehicle purchase choice. A rising number of both electric and hybrid vehicles can be observed on the roads, with hybrids being more popular than purely electric vehicles. However, the rates of adoption of these vehicles has so far been relatively slow, largely due to their relatively high price, short driving range and the lack of battery re-charging infrastructure, even in developed countries. Market observers predict that it will be a number of years until battery technology is improved and becomes affordable for mainstream use in automobiles. Moreover, it will also take some time to develop charging stations to support these types of vehicles. Once these obstacles have been overcome, take-up of both hybrid and electric cars is likely to increase. During this stage we are likely to see an increase in the number of automotive suppliers who manufacture electric motors, advanced automotive batteries as well as semiconductor, connectors and

sensors which the vehicles will need. The impact on chassis and Body-in-White automotive suppliers is likely to be relatively limited, with only amendments to existing technology.

### **Stable market dynamics**

A majority of the markets in which we are active are increasingly consolidated in nature, typically with three to five global key competitors. We believe that there are a number of challenging requirements for global automotive suppliers that, in part, are linked to the global trends that have developed in the industry and that a new or less well established market player would have to satisfy in order to establish themselves in the market.

### ***Established OEM relationships***

We and our key competitors have longstanding relationships with automotive OEMs, developed through long-standing close collaboration. The systems and components provided to our OEM customers are critical in nature. Therefore, OEMs choose their suppliers carefully based on a number of criteria. In addition, OEMs outsource an increasing amount of content to suppliers that continue proving their capabilities over time, such that they are fully involved within the complete vehicle development value chain. We believe that when entering this market, potential competitors would need to spend many years developing a track record with these customers before shifting from being a “build-to-print” supplier to a full strategic partner.

### ***Technological capabilities***

We and our key competitors have made significant investments to develop state-of-the-art technologies across a broad range of processes, in order to be at the forefront of weight-reduction and certification of safety standards, as well as customer preferences on design and other factors. This has been carried out through extensive and sustained R&D activities over a number of years, increasingly in collaboration with OEMs. In addition, technological capabilities also extend to tooling competencies across the entire value chain, from design to manufacturing and testing. We believe that these advanced capabilities act as a challenging pre-requisite for potential new competitors in our markets.

### ***Global manufacturing footprint***

Automotive OEMs are increasingly shifting to common vehicle platforms on a global basis with the aim of maximizing the commonality of components and systems, and to derive cost savings via economies of scale. Consequently, OEMs are increasingly looking for global suppliers that can provide standardized components with consistent quality standards globally, at a competitive cost and with close proximity to OEM production sites. We believe that it would be difficult for potential competitors to achieve such a broad geographical (human resources and physical plant) footprint without many years of investment.

### ***Scale***

Entry into most of the markets in which we and our competitors are active requires substantial investments which we believe many potential competitors would not be able or would not be willing to make. As we manufacture most of our products in large volumes, we have been able to significantly reduce costs per unit. In our view, when entering the market most potential competitors would have to incur higher costs per unit if they were to seek to manufacture products with the same quality as ours.

### ***Track record of financial stability***

A key success factor for automotive suppliers is financial stability, as this is an important factor considered by OEMs when making purchasing decisions. During the downturn in 2008/2009, many OEMs faced supply chain difficulties as a result of certain suppliers falling into financial distress and therefore being unable to fulfill their contractual obligations to supply automotive components. Therefore, there has been a structural shift in OEM preferences to work increasingly with larger and more financially stable suppliers. Consequently, this is making it more difficult for financially weaker or unproven competitors to enter into our addressable markets.

## **Regulatory environment**

We are subject to the laws and regulations applicable to our business activities in the countries in which we operate. Moreover, the products manufactured by us have to comply with various legal requirements. The general regulatory conditions applicable to our operations and products are subject to change, and are continuously being adapted at both national and international levels (especially by the European Union), following the steady technological development, the increased need for safety and the environmental consciousness of the population. As regional laws and regulations addressing emissions from vehicles are highly complex and detailed, including the regulation of various special and exceptional cases, we have limited the following description to an overview of certain principal provisions. As far as future regulations are concerned, governments may decide to delay the introduction of such regulations or to change the emission limits set by such regulations or not to introduce such regulations at all (in contrast to their current plan).

### **Emissions from Vehicles**

#### ***Carbon dioxide emission regulations***

As the growing number of motor vehicles contributes significantly to the output of greenhouse gases, one regulatory focus is limiting carbon dioxide emissions from road vehicles. Carbon dioxide emission or fuel economy standards are already in place in Europe, the United States, Japan and China, amongst other countries. Brazil and India are expected to initiate similar measures in the near future. Carbon dioxide emissions are regulated separately for passenger cars and light commercial vehicles in Europe.

#### ***Europe***

##### ***Passenger Cars***

As a result of Regulation 443/2009/EC, effective as of January 1, 2012, the EU car manufacturers' fleet average for passenger cars must comply with the new limit for carbon dioxide emission of 130 g/km—partially as of 2012 and completely by 2015. In 2012, 65% of each manufacturer's lowest emitting cars newly registered in that year must comply with the emission limit (2013: 75% and 2014: 80%). By 2015, 100% of the newly registered passenger cars will finally be included in the calculation of the fleet average. The carbon dioxide emission used to calculate the fleet average are taken for all vehicle types offered by the manufacturer and represent the allowable levels of carbon dioxide emission for the respective vehicle type. If the actual carbon dioxide emissions of newly registered passenger cars of a particular manufacturer exceed the limits, the European Commission will impose an excess emission premium on the respective manufacturer. As regards further reduction of carbon dioxide emissions from new passenger cars, the European Commission has recently put forward a proposal to implement a limit of 95 g/km by 2020 (COM/2012/393). The proposal has been submitted to the European Parliament and the Council for discussion and adoption pursuant to the regular legislative process. Whether and if so, in what form this proposal will be modified in the course of the legislative process is currently uncertain.

##### ***Light Commercial Vehicles***

In June 2011, Regulation 510/2011/EC became effective, setting carbon dioxide emission standards for new light commercial vehicles in Europe. The regulation applies to new vehicles of category N1 (vehicles for the transportation of goods, having a maximum mass not exceeding 3.5 tons). Vehicles of the category M2 (vehicles for the transportation of passengers, comprising more than eight seats in addition to the driver's seat and having a maximum mass not exceeding 5 tons) and N2 (vehicles for the transportation of goods, having a maximum mass exceeding 3.5 tons but not exceeding 12 tons) will be included for monitoring purposes only. The target is to reach an emission limit of 175 g/km for new light commercial vehicles in 2017 compared to an average emission level of approximately 185 g/km in 2009. For each manufacturer an individual limit will be calculated based on an average weight of the manufacturer's vehicle fleet. These limits will be phased in, with 70% of each manufacturer's light commercial vehicles to be taken into account in 2014, 75% in 2015, 80% in 2016 and 100% from 2017 onwards. Manufacturers failing to meet the emission limits will be required to pay an excess emission premium. From 2014 to 2017 super-credits for new light commercial vehicles with carbon dioxide emissions of less than 50 g/km will be in place in order to stimulate sales of low emission vehicles. As regards further reduction of carbon dioxide emissions from light commercial vehicles, the European Commission has recently put forward a proposal to implement a limit of 147 g/km by 2020 (COM/2012/394). The proposal has been submitted to the European Parliament and the Council for discussion and adoption pursuant to the regular legislative

process. Whether and if so, in what form this proposal will be modified in the course of the legislative process is currently uncertain.

## ***United States***

### ***Cars and Light Trucks***

In the United States, the NHTSA sets CAFE standards and the EPA sets national greenhouse gas emission standards. Additionally, California has asserted the right to regulate motor vehicle greenhouse gas emissions. In order to address this potential regulatory overlap, the EPA and NHTSA have developed a federal “One National Program” of harmonized regulations to reduce greenhouse gas emissions and improve fuel economy of light duty vehicles for the 2012 to 2016 model years. The CARB has agreed that compliance with the One National Program will be deemed compliant with California regulations for the 2012 to 2016 model years. The standards apply to passenger cars, light-duty trucks, and medium-duty passenger vehicles and require an industry wide target standard of 250 g/mile of carbon-related exhaust emissions and 34.1 miles per gallon by model year 2016. In 2011, the NHTSA and the EPA issued a joint proposal extending the National Program to further improve fuel economy and reduce greenhouse gas emissions for passenger cars and light trucks manufactured in model years 2017-2025. The proposed CAFE standards would require an industry-wide light-duty fleet average of approximately 40.1 miles per gallon by model year 2021 and approximately 49.6 miles per gallon by model year 2025, based on the assumption that all of the CO<sub>2</sub> emissions reductions are achieved through the use of fuel economy technology. EPA’s proposed greenhouse gas emission standards, which are harmonized with NHTSA’s CAFE standards, are projected to require 163g/mile of carbon dioxide in model year 2025.

### ***Heavy Duty Vehicles***

In 2011, the EPA and NHTSA promulgated final regulations that for the first time impose greenhouse gas and fuel economy standards on heavy duty vehicles, covering model years 2014 to 2018. The final regulations are being challenged in federal court. The EPA and NHTSA are expected to issue a new round of standards covering the 2019 model year and subsequent model years.

## ***China***

China began its passenger vehicle fuel consumption regulation in 2004, when it issued the standard “Limits of Fuel Consumption for Passenger Cars”. This standard, which establishes maximum fuel consumption limits by vehicle weight category, will be fully implemented by 2015. If the 2015 targets are met, passenger car fuel consumption is expected to be no greater than 7 l/100 km (under NEDC driving test cycle). Motor vehicle fuel economy standards in China are based on 16 weight classes and cover passenger cars, Sport Utility Vehicles (“SUVs”) and Multi-purpose Vans (“MPVs”), with separate standards for passenger cars with manual and automatic transmissions. Vehicles that do not meet the standard are not permitted to be sold.

### ***Laws and regulations regarding emission of pollutant substances (other than carbon dioxide)***

Many countries have set limits on the amount of pollutants that new vehicles are allowed to emit as part of a broader strategy to reduce negative health and environmental effects of air pollution. The regulations limit in particular the emission of carbon monoxide (“CO”), nitrogen oxides (“NO<sub>x</sub>”), hydrocarbons (“HC”) and particulate matters (“PM”), which are considered to be harmful to human health, and apply to either all vehicles or only certain types. New regulation schemes are getting increasingly stricter worldwide, and are often first introduced in European and other markets in Europe, North America and Japan markets. The United States and Japan have adopted similar legislation to the Euro emission standards, while emerging countries in Asia and South America are gradually adopting European legislation on emission standards in order to avoid serious air pollution problems linked to the growing numbers of automobiles on their roads. The regulations in the markets of relevance for our business are presented below.

## ***Europe***

Emission of pollutant substances is regulated separately for light vehicles and heavy duty vehicles.



### *Light Vehicles*

EU emission regulations for new light vehicles were once specified in Directive 70/220/EEC with a number of amendments adopted through 2004. The standards that were defined by the directives are known as Euro 1, Euro 2, Euro 3 and Euro 4. In 2007, this directive has been repealed and replaced by Regulation 715/2007/EC which defined the standards Euro 5 and Euro 6. The Euro 5 standard came into force in September 2009 for the approval of new types of passenger cars from that date on, and applies for the registration of new passenger cars since January 2011. Since January 2012 it also applies for all light commercial vehicles and special needs cars. The Euro 5 standard restricts emissions, from both diesel and petrol vehicles. According to Euro 5, diesel vehicles are allowed to emit 500 mg/km of CO, 5 mg/km of PM, 180 mg/km of NO<sub>x</sub> and 230 mg/km of combined emissions of HC and NO<sub>x</sub>. Petrol vehicles (or vehicles running on NG or LPG) are allowed to emit 1,000 mg/km of CO, 68 mg/km of non-methane HC, 100 mg/km of total HC, 60 mg/km of NO<sub>x</sub> and, only for lean burn direct-injection petrol vehicles, 5 mg/km of PM. The Euro 6 standard will come into force in September 2014 for the approval of new types of passenger cars from that date on, and shall apply for the registration of new passenger cars as of January 2015. As of January 2016, the Euro 6 standard will then also be compulsory for all light commercial vehicles and special needs cars. The Euro 6 standard will set significantly lower emission limits for NO<sub>x</sub> emissions from diesel cars. According to Euro 6, diesel vehicles are allowed to emit only 80 mg/km of NO<sub>x</sub> and 170 mg/km of combined emissions of HC and NO<sub>x</sub>.

### *Heavy Duty Vehicles*

European emission regulations for new heavy vehicles are commonly referred to as Euro 1 to Euro 6. The emission standards apply to all motor vehicles with a “technically permissible maximum laden mass” of over 3,500 kg, equipped with compression ignition diesel engines or positive ignition NG or LPG engines. Directive 2005/55/EC and its implementing Directive 2005/78/EC set the emission limits for Euro 5. According to Euro 5, heavy duty vehicles are allowed to emit 1,500 mg/kWh of CO, 460 mg/kWh of HC, 2,000 mg/kWh of NO<sub>x</sub> and 20 mg/kWh of PM. Directive 2005/55/EC will be repealed by Regulation 595/2009/EC with effect from December 31, 2013, which will establish the stricter emission limit Euro VI. While the limit for CO will remain unchanged, the limit value for HC will be 130 mg/kWh, the NO<sub>x</sub> limit will be 400 mg/kWh and the limit for PM will be 10 mg/kWh.

### *United States*

In the United States, there are two main sets of emission standards, the federal standards set by the United States Environmental Protection Agency (“EPA”) and the standards set by the CARB. Pursuant to the federal Clean Air Act, California is permitted to request and has received a waiver from the EPA to develop its own emission regulations for certain regulated pollutants. Other states that do not meet National Ambient Air Quality Standards are permitted to implement relevant California standards for current or future model years instead of the federal emissions standards, provided that the relevant state must adopt California’s motor vehicle emissions standards no later than two years before the affected model year.

### *Federal Standards*

Under the current Tier 2 regulations promulgated by the EPA, the same emission standards apply to all weight categories of light vehicles. The Tier 2 emission standards are set out in the form of 11 certification levels or “bins” (8 permanent and 3 temporary, which expired in 2008), which set out different emission targets according to pollutant. Each bin has a varying level of stringency, and manufacturers may obtain certification of their vehicles from the EPA according to any of these bins, provided that the average NO<sub>x</sub> emission level for the manufacturer’s entire fleet not exceed 0.07 g/mile. The EPA is currently developing more stringent requirements which are expected to phase in with the 2017 model year. Heavy duty vehicles are also subject to stringent emissions requirements which were recently tightened with regard to the 2010 model year.

### *California Standards*

CARB has issued its own set of emission standards for low emission vehicles (or LEV). California’s LEV II regulations impose stringent emissions requirements. Currently, fourteen states have adopted the California standards for current and / or future model years. In January 2012, CARB approved the California Advanced Clean Cars Program, including proposed LEV III regulations that will be phased in

through model years 2015-2025. The LEV III regulations, among other things, set standards for greenhouse gases (discussed below) and smog-forming pollutants, including a 75% reduction in smog-forming emissions from new vehicles by 2025 (compared to 2014 levels).

### ***Brazil***

Brazil's engine emission standards are based mainly on relevant European legislation. In 2009, the PROCONVE L5 standards, which are based on the Euro 4 standards, were introduced for new light vehicles. The newer PROCONVE L6 standards, which are based on Euro 5 regulations, are intended to come into force between 2013 and 2015. The PROCONVE P5 standards, which are based on the Euro III standards, were introduced in January 2006 for new heavy duty vehicles. Originally the Brazilian government planned to introduce more stringent PROCONVE P6 standards in January 2009, based on Euro IV regulations, but these standards were never implemented due to the unavailability of low sulphur diesel. Nonetheless, the new PROCONVE P7 standards, based on Euro 5 standards, came into force in January 2012.

### ***China***

China's engine emission standards are based mainly on relevant European legislation and typically are introduced gradually, by region, before being launched nationwide. They are set by the Chinese MEP. The current emission standards for light vehicles, which are based on Euro 4 regulations, were initially introduced in the Beijing region in January 2007, before eventually coming into force nationwide in July 2010. The China IV regulations, based on the Euro 4 regulations, were originally meant to be introduced in January 2010 for new models and in January 2011 for existing models, but were delayed by one year due to the unavailability of low sulphur diesel, which was necessary in order to implement the reduced emission technology required to meet China IV standards. Due to continuing fuel quality issues, MEP further delayed the implementation of China IV standards from January 2012 to July 2013. The China IV standards were introduced earlier in the Beijing region, with adoption of regulations taking place in January 2008.

## BUSINESS

### Our company

We are a leading global automotive supplier active in the design, development and manufacture of metal components and assemblies for sale to OEMs, primarily for use in the production of light vehicles. We have an extensive global footprint of 94 production facilities in 19 countries over four continents with four additional plants under construction as of December 31, 2012. We supply our products globally to all of the 12 largest OEMs by production volume. Our extensive geographical and customer diversification allows us to take advantage of global growth opportunities and has mitigated the impact of regional production fluctuations on our business during economic downturns.

We offer our OEM customers a diverse product portfolio, supplying Body-in-White and Chassis structures and complex assemblies, Mechanisms, as well as tooling and dies and other related services.

- *Body-in-White:* Our Body-in-White product portfolio includes large component parts and assemblies, such as hoods, roofs, doors, fenders and other high quality “Class A” surfaces and assemblies, which are used to create the exterior skin of an automobile. This product portfolio also includes structural and other crash-relevant products, such as floors, pillars, rails and wheel arches, which together with the exterior skin component parts and assemblies form the essential upper and under body (platform) structures of an automobile.
- *Chassis:* Our Chassis product portfolio consists of systems, frames and related parts, such as front and rear axles and links, control arms and integrated links, which link the body and the powertrain of an automobile and carry the load of the vehicle.
- *Mechanisms:* Our Mechanisms product portfolio consists of mechanical components such as hinges for doors, hoods, and trunk lids, door checks and door hinges with integrated door checks that join the automobile’s body with the moving parts and that enable the user to open and shut the automobile’s front, side and rear doors and lift-gates. Mechanisms also include powered systems that allow automobile doors to open and close electrically and by remote activation.
- *Other products (tooling):* We have extensive in-house capabilities in the design, engineering, manufacturing and servicing of dies and tools in support of our customers and in-house press manufacturing.

We believe that we are the number 1 supplier of Body-in-White and Chassis products globally by combined revenue in 2011 as compared to the combined revenue of our two closest competitors for their Body-in-White and Chassis products in 2011. In Mechanisms products, we believe that we are the clear market leader among individual suppliers in Western and Eastern Europe combined, and in South America, with estimated regional market shares of approximately 50% and 40%, respectively, by revenue in 2011.

We are one of the very few truly global suppliers to OEMs in our product portfolio, which sets us apart from many of our competitors in the industry. We have long-standing and entrenched relationships with our largest OEM customers and, as a result, have been able to proactively manage our business to meet the developing global trends in the industry and the resulting changes in the requirements of the OEMs that we supply.

In 2012, our revenue was €5,757.3 million and our EBITDA was €620.1 million. During the same period, we derived revenues of €4,748.3 million from our Body-in-White and Chassis sales, representing approximately 82.5% of our total revenue and revenues of €682.3 million from our Mechanisms sales, representing approximately 11.9% of our total revenue.

We believe that our historical and continuing financial and operational success and stability have been, and continue to be, driven by our strategic, customer-focused geographical expansion and diversified revenue streams, as well as our manufacturing, process design and technological expertise. We believe that these factors have allowed us to achieve our position as a leading global supplier in the automotive industry, and one of strategic importance to many of the largest OEMs globally.

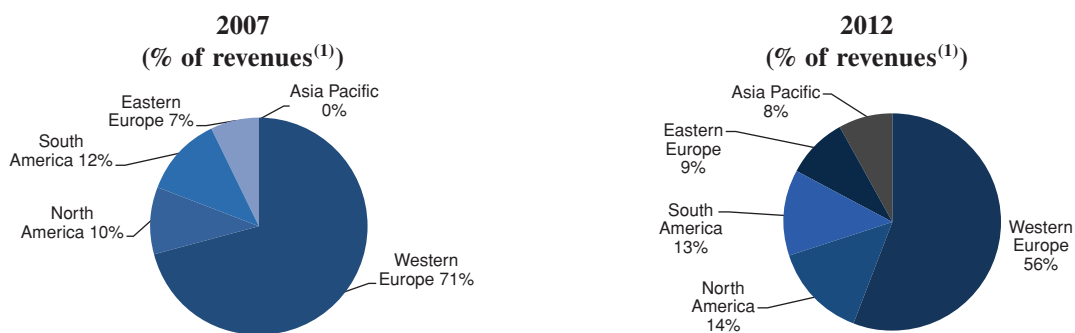
## ***Highly diversified revenue base across regions, customers and products***

### ***Regional diversification***

We have a geographically highly diversified global footprint with 94 production facilities in 19 countries over four continents with four additional plants under construction as of December 31, 2012. Since 2007, we have focused our expansion outside our traditional markets in Western Europe, into North America, South America, Asia and Eastern Europe where we have been able to capture the increasing demand for our products, in part driven by a significant increase in vehicle production, particularly in the US, Mexico, Brazil, China, India, Thailand, Turkey and Russia.

We are one of very few truly global players in our product portfolio who have committed substantial investment to and have a well established presence in these growth markets. We are market leaders by revenue in the majority of them, which gives us a competitive advantage over those suppliers who are yet to establish themselves in these growing markets. For example, since 2007, when we had no production in Asia, we have increased our revenues derived from our Asian operations to €460.6 million in 2012.

As part of our customer-focused approach to our expansion strategy, we have proactively managed the decision of when and where to expand in our growth markets by coordinating our roll-out plans with those of the OEMs we supply. In the past five years, we have opened 18 production facilities in our growth markets, with four more under construction as of December 31, 2012. Our strong geographical diversification throughout our regional centers of operation allows us to take advantage of global growth opportunities and has mitigated the impact of regional demand fluctuations on our business during economic downturns. The charts below reflect the evolution of our regional diversification between 2007 and 2012 by revenue:

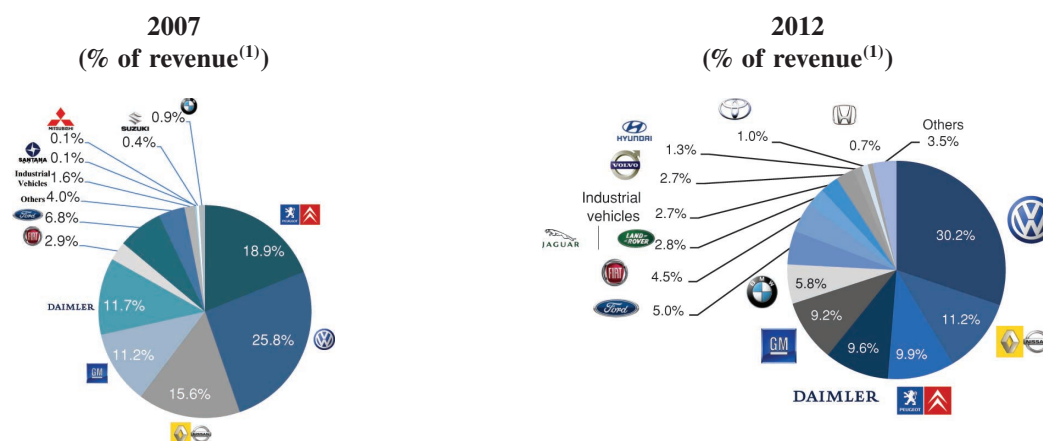


(1) Based on manufacturing origin of sales

### ***Customer diversification***

We have a well diversified customer base which, through a successful development strategy, has expanded to include all of the 12 largest OEMs by production volume in 2012, as compared to seven of the largest OEMs by production volume in 2007. In the financial year ended December 31, 2012, our top three OEM customers accounted for 51.3% of our sales to OEMs (excluding tooling), compared to 60.3% in the financial year ended December 31, 2007.

We have pursued a strategy of customer diversification and have forged new global relationships with Jaguar Land Rover, Hyundai, Toyota, Honda and other OEMs with whom we had a limited relationship prior to 2007. The charts below reflect the evolution of our customer base between 2007 and 2012:



(1) Based on sales to OEMs (excluding tooling)

Source: Company

### Product diversification

Our historic product portfolio has been comprised primarily of Body-in-White products and, to a lesser extent, Chassis products. With the acquisition of the metal forming business unit of ThyssenKrupp Metal Forming in 2011, we have significantly strengthened our position in Chassis products. Sales of our Body-in-White and Chassis products represented 82.5% of our total revenues in 2012.

The acquisition in 2010 of the body components business unit of Edscha, a manufacturer of Mechanisms products, enabled us to diversify our product portfolio by further increasing the range of products we can offer our customers in the area of body and structural automotive components. Sales of our Mechanisms products represented 11.9% of our total revenues in 2012. Our expansion into these product areas was in line with our long-term growth strategy and strongly supported by our key OEM customers.

The diversification of our product portfolio has helped us to strengthen our strategic relationships with OEMs, who are able to turn to us for innovative and market-leading product solutions across the value chain.

### Technology and leading R&D capabilities

One of the global trends in the automotive industry is the increased focus on innovative and technologically advanced products that seek to address the parallel concerns of improved safety for passengers and road users and weight and emissions reduction. Our commitment to developing innovative, high quality products has defined our approach to our customers. We are a global leader in the automotive supplier industry in the use of high strength and ultra high strength steel, which find their application in many body parts of the car where it helps to reduce vehicle weight and improve fuel and emissions efficiency while also improving safety in a cost-effective way. Many of our products are manufactured using our state-of-the-art technologies in innovative press hardening (also known as hot stamping) and other high strength stamping processes. These products provide superior safety and weight reduction, differentiate us from our competition and help us to achieve leading positions in the industry. We have made significant investments over the past three years in rolling out our press hardening and stamping technology in our facilities around the world to respond to growing demand from OEMs for our products.

Our innovative products and market-leading processes are developed through our targeted R&D platform, which has a dedicated team of approximately 1,000 employees, across 12 facilities spread around the globe. Furthermore, we are among the very few Tier 1 suppliers that have in-house tooling capabilities. Underlying our innovative products and processes and in-house capabilities is the maintenance of rigorous quality management systems in all of our manufacturing plants and R&D facilities. Through regular internal audits we are able to ensure that our products and processes are monitored to the highest industry



standards. We believe that these competencies and capabilities along the entire value chain give us a competitive advantage over many of the other suppliers.

### ***Leading market positions***

We believe that we are the number 1 supplier of Body-in-White and Chassis products globally by combined revenue in 2011 as compared to the combined revenue of our two closest competitors for their Body-in-White and Chassis products in 2011. In Body-in-White products, we believe that we are the clear market leader among individual suppliers in Western and Eastern Europe combined, and in South America, with estimated regional market shares of approximately 31% and 22% respectively by revenue in 2011. In Chassis products, we believe that we are number two in the market among individual suppliers in Western and Eastern Europe combined, and in South America, with estimated regional market shares of approximately 24% and 25% respectively by revenue in 2011. Body-in-White, Chassis and Mechanisms products collectively represented €5,430.6 million or 94.3% of our revenues in 2012.

In developing and rolling-out new models, OEMs are increasingly collaborating with suppliers to design models around common platforms and are seeking to consolidate their supplier-base with an increased focus on large, technically and financially strong global suppliers that are capable of producing consistent and high-quality products at competitive prices. As a result, large, multi-technology, high-quality Tier 1 suppliers such as ourselves are increasingly taking market share from smaller competitors, as we are in a better position to meet these OEM criteria.

We have strategic and long-standing relationships with our largest OEM customers, which are based on confidence and an understanding established over many years of successful collaboration. There are very few suppliers that, like us, have such long-standing relationships with the largest global OEMs, and there are an even smaller number of suppliers that, like us, are capable of delivering solutions to complex projects, truly globally and on a consistent and high quality basis across the product portfolios. Our scale and ability to develop differentiated solutions for OEMs' on a global footing are critical to our success and differentiate us from local and regional suppliers of car components.

Our highly advanced technological capabilities, global manufacturing and managerial footprint, significant operational scale and track record of financial stability enable us to be one of the very few suppliers who can support an OEM throughout the full product life cycle, including as a development partner during the early stages of product development. This ability to support the development process of OEMs and act as an outsourcing partner to them globally is an important differentiator, especially on innovative product solutions, and would take significant investment and many years to attempt to replicate.

From operational, technical and logistical perspectives, OEMs face substantial switching costs in replacing the supplier of a particular component or platform, particularly during the life cycle of a specific vehicle model, and the supplier of a particular car model is often also chosen for subsequent generations of that model. This is largely due to the long lead-time and significant investment required to set up the production and supply processes, and to the efficiencies and savings gained through experience with the manufacturing processes of particular products.

Our long-standing and collaborative relationships with OEMs, highly advanced technological capabilities, global manufacturing and managerial footprint, significant operational scale and track record of financial stability help us to develop a competitive advantage over our competitors, entrench our strategic relationships with OEMs and reduce the risk of a committed OEM switching from us to an alternative supplier.

### ***High mid-term revenue visibility, predictable cost-base and conservative financial risk profile***

We have long-term and strategic relationships with our OEM customers. In our industry, once a project has been nominated to a preferred supplier, it is rare for an OEM to switch to another supplier, given the prohibitive operational, technical and logistical costs of switching, particularly during the life cycle of a specific vehicle model. Given these factors, while the actual revenues which we derive from a project ultimately depend on our OEM customers' production volumes achieved for the respective car models, we have good visibility of mid-term revenues within a relatively small range of sensitivity. Each year, most of our revenues are derived from projects that continue into following years, given that vehicle cycles last several years.

In addition, our OEM customer, brand and model diversification, highly diversified global footprint and our complementary product lines strongly mitigate the effects of regional demand or individual model volume fluctuations and help to reduce mid-term revenue volatility.

We have a relatively predictable cost base, with limited maintenance capital expenditure once a project is ongoing and limited exposure to raw material price volatility. The primary raw material used in our business is steel, which in recent years represented approximately 50% of our sales. While steel prices affect our revenue and costs, historically, our profit margins have not been significantly affected by changes in steel prices. In 2012, over 60% of our steel was purchased through OEM re-sale programs, under which an OEM customer negotiates directly with the steel suppliers the price of the steel that we use to manufacture components for that OEM. Such negotiated steel price is passed through to the OEM customer in the sale price of the automotive component. The remainder of our steel purchasing requirements in 2012 was met through contracts with steel suppliers that we negotiated. Historically, we have negotiated with our OEM customers to pass through the increase or decrease in the steel price, eliminating significant volatility in our margins relating to volatility in steel prices. Due to our strong relationships with OEMs and the large steel volumes we acquire in the market place, we expect to be able to negotiate competitive steel contracts with suppliers and to pass through cost increases to our customers, thus stabilizing the effect on our results.

In addition to our limited exposure to raw material price volatility, we have a low operating leverage, with fixed costs accounting for less than 25% of our revenues in 2012. A significant part of our labor costs, which have represented in recent years between approximately 15% and 17% of our total annual sales, are semi-variable in nature and can be adjusted to meet business needs. For example, in 2008 and 2009, we were able to respond quickly to the deterioration in market conditions and took measures to contain costs by lowering headcount, including a reduction in the number of temporary personnel.

We have been able to keep our leverage ratios stable despite our sizeable acquisitions in 2010 (Edscha) and in 2011 (ThyssenKrupp Metal Forming). We were able to continue to invest during the downturn and maintain a high level of profitability by managing our working capital effectively, managing the timing of capital expenditures and delivering cost savings across our business. Our predictable cost-base, conservative financial profile and low operating leverage reduce the exposure of our operations to unpredictable externalities and are valued by our OEM customers.

***Experienced management team focused on operational excellence, profitable growth and stable shareholder structure***

Our management team has extensive experience in the industry and most of our executive committee have been with the company for more than 10 years. Operational excellence is deeply rooted in our organizational structure and culture. Our geographical divisions are focused on improving manufacturing processes (built upon plant-by-plant profit centers), while our business units are centered on customers, products, process innovation and R&D. Our focus on operational excellence across all of our production and R&D facilities has established us as one of the technology, quality and innovation leaders in the industry.

Our management team has a demonstrated track record of achieving long-term profitable growth through the economic cycle, maintaining double-digit EBITDA margins even during the 2008-2009 economic crisis. Our recent successful major acquisitions in 2010 (Edscha) and in 2011 (ThyssenKrupp Metal Forming) were driven by our management's identification of the substantial value creation potential of these businesses.

Our controlling shareholders are long-term holders, supportive of our vision and strategy. Our Chief Executive Officer, who is also one of our largest shareholders, has been instrumental in driving our profitable growth strategy.

**Our strategies**

Our mission is to strive to be an indispensable strategic partner for a diversified OEM customer base across our entire product portfolio. The strategies to achieve our mission, set out in more detail below, are founded upon the pillars of best-in-class processes and product technology innovation, customer-focused growth and diversification of our global footprint, while maintaining operational excellence at all levels and in all regions.

### ***Retain and strengthen technological and quality leadership***

Our objective is to leverage our operational economies of scale to provide our customers with a best-in-class range of products that seek to address weight and emissions reduction targets, as well as improved passenger and road user safety. We intend to continue to strengthen our technological competencies to benefit from the trend towards co-development of new vehicles and common platforms between OEMs and suppliers, while also growing our presence in innovative technologies. Our R&D platform plays a key role in the development of new products, applications, technologies and processes, and we intend to continue to invest to retain our technological leadership and respond to the latest automotive industry trends.

### ***Increase penetration with OEMs***

Having significantly improved our worldwide customer penetration since the global financial crisis, we believe that we are poised to benefit from the large number of new model roll-outs of our OEM customers. We aim to increase our market share by winning new business across our global footprint. One of our key focus areas for future growth is in deepening supply relationships with Japanese OEMs outside of Japan (our sales to Japanese OEMs represented approximately 5% of our revenues in 2012 whereas their share of global production of light vehicles in 2012 was approximately 22.4%). We see a trend of Japanese OEMs shifting more of their production base outside of Japan to be closer to the markets with growing demand for vehicles. In doing so, Japanese OEMs are more open to work with foreign suppliers. We believe that our relationship with Mitsui through our joint venture in North and South America will enhance our relationships with Japanese OEMs in general. We also intend to grow with other Asian OEMs outside of their home markets.

### ***Expand with discipline through selective and profitable investments***

We aim to be an indispensable global partner for our OEM customers and we strive to achieve this aim by continually proving our reliability as a strategic supplier by, for example, providing solutions to their most critical needs on a global scale, and by continuing to tailor our expansion plans to match theirs.

Our capital expenditure is associated with disciplined growth, generally tied specifically to client project nominations. Over the past five years we have opened 16 new manufacturing facilities in China, India, Brazil, Russia, Turkey, Czech Republic, Korea and Argentina and we have also invested in two new manufacturing facilities in the US, which have collectively added to our EBITDA and cash flow from operating activities. While returns on investments are not guaranteed, in assessing a new investment, as part of our internal decision making methodology, one of the factors our management considers is whether we believe that the investment may result in an internal rate of return to us of at least 15%.

This selective and disciplined approach to investments has significantly contributed to our increase in EBITDA from €390.0 million in 2010 to €620.1 million in 2012 and to our increase in cash flows from operating activities from €271.2 million in 2010 to €371.5 million in 2012. Although, we have favored organic growth over acquisitions, through our strategic acquisitions of Edscha (2010) and ThyssenKrupp Metal Forming (2011), we have participated in the consolidation and rationalization of the supplier base in collaboration with OEMs.

We aim to continue this approach of disciplined investments. Currently the primary focus, both for our OEM customers and for us, is on growth markets where there are opportunities to capitalize on growing long-term demand relative to that of the mature economies. For instance, we believe that we are well-positioned to take advantage of China's growth as a result of our existing footprint of high-quality manufacturing facilities in the country. Three out of our four additional plants that are currently under construction are located in China to meet non-Chinese OEMs' local needs. There currently is substantial demand for our products in growth markets that would require additional manufacturing facilities and we aim to take advantage of this demand through selective and disciplined investments.

### ***Maintain and bring improved operational excellence to bear on existing and acquired businesses***

Our objective is to deliver a best-in-class range of products to our OEM customers and, to this end, we strive to maintain an organizational structure and culture with consistent levels of operational excellence across all of our production and R&D facilities.

At the same time, we focus on reducing our cost base through improved economies of scale and capitalizing on synergies with recently acquired businesses. Over the past five years, we have delivered

double-digit EBITDA margins in our existing businesses and have a track record of improving EBITDA margins in acquired businesses as we adapt them to our best-in-class manufacturing techniques and processes.

### *Evaluate regional partnerships in new markets*

We continually evaluate working with regional strategic partners when entering new markets in order to limit start-up risks and benefit from partners' intimate knowledge of local requirements and customers' needs. Two examples of such joint ventures are our operations in Turkey, with Beyçelik, and in Russia, with Severstal. We also have financial partners in some joint ventures with the aim to mitigate the financial costs of entering new markets. We have recently announced a joint venture with Mitsui which we expect will bring both financial and strategic benefits. If opportunities arise in the future, we will evaluate suitable partnerships strategically aligned from a customer, technological, geographic and/or financial perspective.

## **Our Products**

We produce a diverse range of products, many of which are critical to the structural integrity of a vehicle. Our product portfolio covers Body-in-White and Chassis structures and complex assemblies, opening systems and Mechanisms, as well as tooling and other services. We focus on innovation in the design of our products with the fundamental goals of promoting weight reduction, therefore reducing harmful emissions and environmental impact; and improving safety, thereby increasing the protection of passengers, other road users and pedestrians.

### *Body-in-White and Chassis*

#### Body-in-White

Our Body-in-White product lines are comprised of component parts and assemblies, such as hoods, roofs, doors, fenders and other Class A surfaces and assemblies, which are used to create the “exterior skin” of the vehicle. Because these component parts and assemblies form the visible exterior of the vehicle and therefore its outward appearance, they require consistent and flawless surface finishes. This product line also consists of structural and other crash-relevant products, such as floors, pillars, rails and wheel arches, which together with the “exterior skin” component parts and assemblies, form the essential structure of the vehicle.

<u>Product Category</u>	<u>Typical Products</u>
Exterior	<ul style="list-style-type: none"> <li>• Hoods</li> <li>• Roofs</li> <li>• Fenders</li> <li>• Doors</li> </ul>
Structural/Crash relevant	<ul style="list-style-type: none"> <li>• Floors</li> <li>• Pillars</li> <li>• Rails</li> <li>• Wheel arches</li> <li>• Front modules</li> <li>• Bumper</li> <li>• Crash boxes</li> <li>• Cross car beams</li> </ul>



Our Body-in-White product lines consist of both component parts, as well as the complex assemblies which are made up of multiple component parts and sub-assemblies welded together to form major portions of the vehicle's body structure.

#### Chassis

Our Chassis product lines are comprised of systems, frames and related parts, such as front and rear axles and links, control arms and integrated links, which are used to create the “skeleton”, or essential lower body structure, of the vehicle and carry the load of the vehicle. These structures are critical to overall performance of the vehicle, particularly in the areas of noise, vibration and harshness, handling and crash management. Chassis structures include heavy gauge metal stampings that provide structural integrity in

crash scenarios and are critical to the strength and safety of vehicles and also include a wide variety of stamped, formed and welded suspension components.

<u>Product Category</u>	<u>Typical Products</u>
Sub-frames/Cross member	<ul style="list-style-type: none"> <li>• Front sub-frames</li> <li>• Rear axles</li> </ul>
Links/Control arms	<ul style="list-style-type: none"> <li>• Front/rear link</li> <li>• Control arms</li> <li>• integrated links</li> </ul>



The primary technologies and processes involved in the manufacturing of our Body-in-White and Chassis products include (i) press hardening (also known as hot forming); (ii) cold forming technologies such as stamping, roll-forming and hydro-forming; (iii) advanced assembly technologies such as remote laser welding; and (iv) finishing technologies such as powder coating and cataphoretic painting. See “—Manufacturing processes”.

### Mechanisms

Our mechanisms product lines include mechanical components such as hinges for doors, hoods, and trunk lids, door checks and door hinges with integrated door checks that join the vehicle’s body with the moving parts and that enable the user to open and shut the vehicle’s doors, front and rear lids and lift-gates. Mechanisms also include powered systems that allow vehicle lids to open and close electrically driven at the touch of a button. This product category also includes driver control products such as parking brakes and clutch or brake pedals.

<u>Product Category</u>	<u>Typical Products</u>
Body components	• Door checks
Powered systems	• Hinge systems
Driver controls	<ul style="list-style-type: none"> <li>• Powered systems</li> <li>• Parking brakes</li> <li>• Pedal boxes</li> </ul>



The primary technologies and processes involved in the manufacturing of our Mechanisms products include, among other things, stamping, sawing, milling and plastic injection molding. See “—Manufacturing processes”.

### Other products (tooling)

We have extensive in-house capabilities in the design, engineering, manufacturing and servicing of dies and tools in support of our customers. We also have in-house press manufacturing services. Additionally, we provide engineering support services, independent of particular production programs. See “—Manufacturing processes”.

In addition, we typically sell the scrap steel that is generated by our manufacturing processes in secondary markets, the revenue from which is allocated between our Body-in-White, Chassis and Mechanisms products lines according to where the scrap was derived. We generally share our recoveries from sales of scrap steel with our customers either through scrap sharing agreements, in cases where we are on resale programs, or in the product pricing that is negotiated regarding increases and decreases in the steel price in cases where we purchase steel directly from the mills.

### **Manufacturing processes**

Since our foundation in 1997 we, and the technology employed in our manufacturing processes, have evolved significantly from a limited-technology company based only on cold stamping, to a multi-technology company with diversified technological capabilities. We now have a broad technology portfolio and capabilities across the value chain, including (i) in-house die/tool manufacturing capabilities; (ii) a wide range of forming technologies from press hardening to cold forming technologies such as roll-forming and hydro-forming, in addition to the full range of cold stamping processes; (iii) advanced assembly



technologies such as remote laser welding; and (iv) finishing technologies such as powder coating and cataphoretic painting.

### *Die or tool manufacturing*

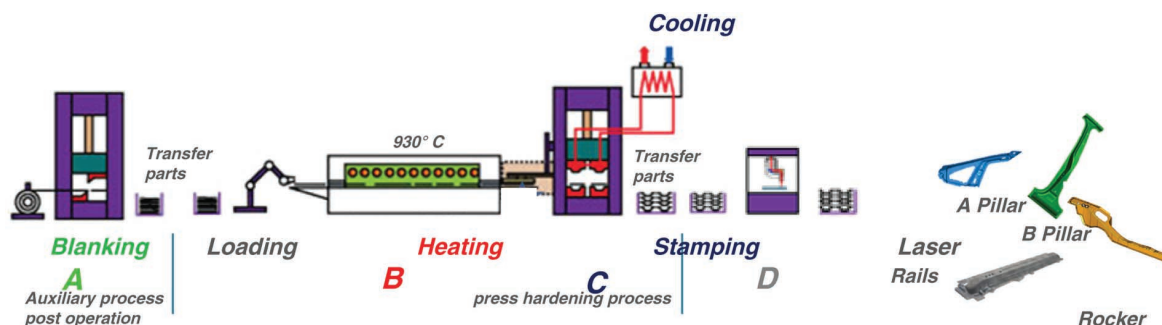
Dies or tools are the common terms for the equipment used in the stamping and forming processes to cut or form raw material into a required shape using a press. Our in-house tooling capabilities cover the entire tooling value chain from the initial process of die design to the secondary phase of prototyping, patterning, casting, machining and setting the die through to try-out verification, quality checks and logistics. We are recognized as one of the few suppliers that have in-house tooling capabilities that can address the manufacture of parts that comprise the visible outer skin of the car (also called A-class parts) such as doors and hoods. Critical phases such as follow-ups and quality checks are carried out globally by a dedicated European team. We have a supplier development program in place to assure the quality of any outsourced tooling. Our customers recognize us as one of the few suppliers that have the internal capacities for developing and manufacturing tooling for press hardening.

### *Forming*

#### Press Hardening or Hot Stamping

Press Hardening is an innovative process by which advanced ultra high strength steel is formed into complex shapes more efficiently than with traditional cold stamping. The process involves the heating of the steel blanks until they are malleable, followed by formation and then rapid cooling in specially designed dies, creating in the process a transformed and hardened material. Because of this ability to efficiently combine strength and complexity, press hardened parts accomplish in one relatively light-weight piece what would typically require thicker, heavier parts welded together in more than one process under cold stamping. Press hardening parts therefore currently represent one of the most advanced lightweight solutions for the car body structure that simultaneously allows us to improve crash performance and passenger safety requirements.

Set out below is a graphic description of the basic process of press hardening.



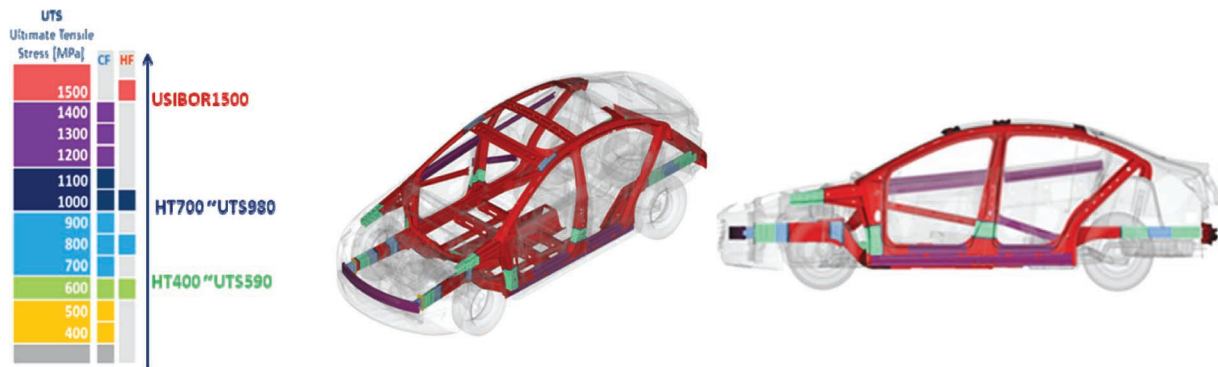
The press hardening process is comprised of four main steps. First, sheets of material are cut into blank units by a blanking line. The blanks are then loaded into an automatic furnace and heated over a defined period of time to 930°C. After the heating process is complete, they are transferred into a press. Immediately upon transfer into the press, the material is stamped to a complex shape while being cooled at a minimum cooling rate of 50°C per second while inside the die. The newly produced part has an ultra-high strength of 1500 Mpa, as opposed to ca. 550 Mpa with cold stamped boron steel. Following this process, the produce part needs to be cut and pierced using a laser.

We are the largest global supplier of press hardening parts. As of December 31, 2012 we had 41 press hardening production lines installed globally, with a further six to be installed by the end of 2013 and a further eight estimated to be installed by the end of 2014. Our press hardening production lines cover the entire value chain from the manufacturing of our own dies to production lines.

The close cooperation between our R&D and process know-how has resulted in the creation of a highly sophisticated and patented “Tailored Material Property” or “TMP” design. TMP is a specific press hardening process with which we can produce different strength levels in different areas of the same part, using the same equipment inside the dies but controlling the different hardening temperatures during the cooling process. Press hardening using the TMP design process is changing the car body architecture. TMP technology, creating deformable soft zones, allows us to provide new product offerings that provide



better crash behavior and controlled car body deformation than other products. Using the TMP design process, we are also able to achieve up to 20% weight reduction when compared with other products made using traditional methods.



### *Cold Forming*

Cold forming technologies include forming operations in different types of machines. Sub-categories of cold forming include roll forming and hydro-forming. Cold forming allows us to manufacture a range of parts from small reinforcement parts to a complete car body side.

Cold forming involves the transformation of a sheet of metal at room temperature inside a forming die under pressure. We operate various kinds of cold forming presses with different automation concepts with press forces ranging from 200 tons up to 2,500 tons. In order to achieve complex forms, parts must be pressed or stamped and cut in several steps, under different press technologies. Depending on the size and shape of the part we can choose the press process operations used to stamp the parts. For instance:

- For large parts, we use tandem presses where the material is moved by robots from press to press in five or six operations.
- For medium size parts with cupped shapes, we use transfer presses, where the material is moved inside the die by transfer bars in up to six operations. During the transfer press stamping process steel coil sheet is fed into a press and a blank is created where the material is cut from the coil strip. The blank is then pushed or transferred to the next station where the rough cup is created. The cup is then transferred by mechanical fingers to one or more subsequent draw stations until the rough, final shape has been created. The part is then transferred into additional stations that are used to establish critical diameters and lengths, features, and forms.
- For small size parts, we use progressive presses, where the material is always connected with the stamped part in the material strip and the finished part is separated from the strip after several forming and cutting operations. Progressive presses are mainly used for some deep draw stamping where the length to diameter ratio is low and part side features are not required. In progressive presses, the steel coil sheet is not cut, but is fed through the press. After several forming and cutting operations, and only once finished, the stamped part is separated from the material strip.

We operate presses in the upper range of forces of greater than 1,000 tons and consequently we are able to stamp high strength materials, which have a typical strength up to 1,000 MPa. Ultra high strength steels are an important part of weight reduction solutions for the car body structure and have a significant impact especially in the car chassis where material thickness and strengths are required.

Roll Forming is a cold forming process, where a coil strip is subjected to a bending operation by passing the strip through sets of rollers resulting in continuous deformation. Each set of rollers performs an incremental part of the bend, until the desired cross-section profile is obtained. This process is ideal for producing parts with constant profiles, long lengths and in large quantities. We operate several variations of roll forming and can also perform automatic cutting, piercing, separating and laser welding. With this range of capabilities we can manufacture parts with minimum material usage.

Hydroforming is a specialized type of cold forming that uses a high pressure hydraulic fluid to press room temperature tubes into a die. The process consists of pre-bending a metallic tube and placing this pre-shaped tube inside a die with the desired cross sections and forms, and applying pressure to the inside of the tube held by the die. During the blowing or forming of the tube held in the die, holes can be pierced

into the tube thereby avoiding secondary operations in most cases. Hydroforming allows complex shapes with concavities to be formed, which would be difficult or impossible with standard stamping. Hydroforming is considered to be a cost-effective way of shaping metal into lightweight, structurally stiff, complex and strong pieces. One of the advantages of using this process is that it enables us to create a three dimensional tube that in cold stamping only could be manufactured by welding two shells together. The ability to deform thick materials makes this technology useful for chassis applications in particular.

### *Assembly*

During the assembly stage, we effectively combine components of all our different manufacturing processes using welding, clinching and adhesive technologies. Our body shops use the most advanced technologies for assembling complex parts such as complete chassis and engine cradles using advanced assembly technologies such as metal inert gas (MIG) welding or metal active gas (MAG) welding. We use parts resistant or spot welding in the welding of Ultra High Strength Steel and Press Hardening parts. Our welding cells are typically highly automated and we use automated robots to perform several of the most precise operations inside the welding cells to achieve maximum cost reduction and ensure we produce the highest quality assemblies.

We use a special process of laser welding in all the different aspects of our production. For instance, the Tailor Welded Blank process involves the welding of two flat metal blanks, thereby creating a single product with different thicknesses or comprising several different types of materials. TWB products are important in the weight reduction of the car body structure and can be combined with any types of material for cold forming and press hardening.

Laser welding technology is not limited to flat material welding and is used also to weld different parts into an assembly. The advantages of laser welding are the very short time cycles and minimal deformation due to the reduced thermic effect.

### *Finishing*

We use various finishing technologies such as shot blasting, zinc coating, powder coating and cataphoretic painting on our products. Shot blasting is used to clean surfaces such as uncoated steels, mainly in press hardening and to prepare parts for welding and painting. Zinc coating is used for maximum corrosion protection and is applied to chassis components. Powder coating and painting operations are the basis for any assembly for normal corrosion requirements. Finishing is always a fully automated process so as to guarantee the highest quality finish and to meet pre-agreed product specifications and requirements.

### *Processes specifically used in our Mechanisms segment*

Hinges are made of three different raw materials with different manufacturing processes. We may use sheet metal and use a stamping process in progressive dies. We may also use other raw materials such as profiles, which are first sawn and then finely milled and profiled by automated milling centers. The manufacture of hinges involves partial zinc coating and the final assembly on specific assembly-lines with screwing and riveting processes. The manufacture of door checks involves plastic injection molding. The manufacture of driver controls may additionally involve cataphoretic painting. Powered systems production is mainly based on the assembly of purchased electrical and mechanical components on customized assembly lines.

## **Research and Development**

We operate in a highly competitive and globalized industry and must constantly change and adapt to meet our customer's needs and expectations. We consider innovation and R&D to be key success factors for the differentiation of our products and services from those of our competitors. Among our global workforce of 30,313 as at December 31, 2012, approximately 1,000 employees are focused on R&D.

Our Body-in-White and Chassis products are fundamental elements in the vehicles produced by our OEM customers. The design and manufacture of these products are driven by the requirements and expectations of the OEMs that we supply, and we collaborate and work closely with them, from the early stages of development through to final production, to ensure their requirements and expectations are met.

When conceiving of, designing and producing our Body-in-White products, we collaborate with the OEMs to focus on improving the fundamental, strategic functions of the vehicle such as sustainability (including lightweight design; use of eco-friendly technologies), passive safety (EuroNCAP and IIHS), NVH, exterior

styling (which is a non-technical but esthetic consideration) and architecture (involving support to all the functions and modules of the vehicle), durability and fatigue. We seek to create close collaborations with our clients in order to co-develop body-in-white concepts and technologies for the future. In Chassis, our R&D efforts are geared towards achieving weight reduction. In Mechanisms, we look to address daily challenges such as vehicle access, crash safety and reliability. Across our product lines, cost effective design is a key area of strategic focus of our innovation efforts.

Our past R&D activities have resulted in a number of new proprietary manufacturing processes and products including, for example, the TMP design technology described above, which enables us to create specifically targeted material properties in precision-targeted areas of the part and which allows our clients to optimize weight and performance. See “—Manufacturing processes”.

While we manufacture a small number of products using aluminum and carbon-fiber, demand in the market for aluminum and carbon-fiber based products is limited at present, primarily due to the high costs in relation to performance and weight savings. Nevertheless, we monitor the evolution of demand in the market for premium products constructed using these materials, and our customer-focused strategy may lead us to manufacture more products with these materials, based on customer demand and potential for adequate returns for us.

Our close working relationships with the OEMs results in a deep understanding of our customers’ requirements and constraints. This major advantage enables us to provide innovative, customized and cost effective products that address their needs and which consolidates our relationship with them as a core supplier and co-developer of strategic importance.

### **Intellectual Property**

Although the processes we use in the manufacture of the products we produce are technical in nature, our business does not rely heavily on intellectual property. Among the most important intellectual property that we do own relate to the patented press hardening processes we utilise in our operations, as well as our brand name, Gestamp.

### **Customers and Geography**

We have a broad customer base as well as an extensive global manufacturing and managerial footprint. In the last five years to December 31, 2012, we have increasingly diversified our customer base to an extent that we now sell our products to each of the top 12 OEMs by production volume, including Volkswagen, Renault-Nissan, BMW, General Motors and Daimler.

We have developed long-standing business relationships with our automotive customers around the world. We work together with our customers along the full value chain, including development, industrial engineering, tooling and manufacturing. Quality assurance programs matching the highest standards underlie our service offering. In growing economies in particular, our customers are focusing their own resources on vehicle assembly and seek to outsource to suppliers that are capable of providing an integrated supply service. We believe that our customers perceive us as a supplier that is capable on a global scale of providing: 1) high-quality products at competitive prices with standardized high-level quality; 2) innovative solutions for complex projects; and 3) on-time delivery and quality customer service. Our technical expertise and extensive global footprint have enabled us to win complex mandates on global projects with the top OEMs around the globe including, for example:

- Volkswagen—PQ25 platform, manufactured in Spain, Germany, the Czech Republic, Brazil, Russia and India;
- General Motors—Delta platform, manufactured in the UK, Russia, Poland, Germany, the US and Korea; and
- BMW—L7 & L6 (BMW 3- & 5-series) platform, manufactured in China and the US.

Mandates in the automotive OEM business involve long-term production arrangements based on the lifecycle of the specific model or platform. As a result of our strategic and long term relationships with our OEM customers, and given the prohibitive operational, technical and logistical costs of switching, particularly during the life cycle of a specific vehicle model, we have strong visibility on our mid-term revenues. Furthermore, we believe we can leverage our strong customer relationships to obtain similar awards in the future.

In addition to being diversified, our customer base is weighted towards financially stable OEMs, meaning that, subject to the stage of the automotive industry cycle and prevailing macroeconomic conditions, our revenue streams are relatively secure.

Our geographical diversification strategy is aligned with the ongoing expansion by OEMs into growth economies and the consolidation of their existing presence in established markets. As OEMs have sought to establish presence in growth markets and to grow outside of their home markets, we have adapted our geographical diversification strategy to focus less on our presence in Western Europe, which is well established, and more on these growing markets.

While we continue to pursue a measured strategy of geographical diversification, the basis of our technological expertise continues to be Western Europe. Our acquisition of ThyssenKrupp Metal Forming, while having the effect of returning weight back to our Western European sales contribution, brought us important technical expertise, particularly with regard to chassis design and development.

## **Suppliers**

We purchase various manufactured components and raw materials for use in our manufacturing processes. All of these components and raw materials are available from numerous sources. We employ just-in-time manufacturing and sourcing systems enabling us to meet customer requirements for faster deliveries while minimizing our need to carry significant inventory levels.

The primary raw material used in our business is steel, which in recent years represented approximately 50% of our sales. In 2012, over 60% of our steel was purchased through OEM re-sale programs, under which an OEM customer negotiates the price of the steel that we use to manufacture components for such OEMs directly with the steel suppliers. Such negotiated steel price is passed through to the OEM customer in the sale price of the automotive component. The remainder of our steel purchasing requirements in 2012 was met through contracts with steel suppliers that we negotiated. Historically, we have negotiated with our OEM customers to pass through the increase or decrease in the steel price, eliminating significant volatility in our cost base relating to volatility in steel prices. Due to our strong relationships with OEMs and the large steel volumes we acquire in the market place, we expect to be able negotiate competitive steel contracts from suppliers and to pass through cost increases to our customers, thus stabilizing the effect on our results.

## **Competitive landscape**

### ***Overview***

We develop, manufacture and market different components, modules and system solutions included in the vehicle's body and structural system. The body and structural market consists of various product groups and is therefore split into many sub-markets. Consequently, our competitive position differs among the various sub-markets. Broadly speaking, we are one of the few players in body and structural parts to offer OEMs a truly global manufacturing footprint. Our key competitors with a similar global offering are Benteler, Magna International, Inc. (Cosma division) ("Magna") and, to a somewhat lesser extent, Tower International LLC ("Tower").

The market positions stated below are based on management's assessment.

### ***Competitive landscape for Body-in-White***

The competitive landscape for Body-in-White varies significantly by region. Western and Eastern Europe, North America and South America are relatively highly consolidated, while the Asian market is highly fragmented. We believe that we are the clear market leader among individual suppliers in Western and Eastern Europe combined, with an estimated regional market share of approximately 31% by revenue in 2011, with a regional market share of more than double that of our closest competitor. Our main competitors in Western and Eastern Europe are Benteler, Magna, Magnetto-Unipres and Kirchoff. In the North American market, we are within the top four individual players, with Magna being the market leader, and Benteler and Martinrea being the other key competitors. In South America, we are the market leader with a market share of approximately 22% by revenue in 2011, with Aethra, Delga, Magnetto-Unipres and Tower International being our key competitors. In this region, local players tend to be strong competitors; however, we believe that we differentiate our offering through superior technological know-how. In Asia, it is difficult to estimate our regional market position with any accuracy, as competitive dynamics can vary significantly by country. In Japan and Korea, a significant proportion of parts are

outsourced to companies that traditionally have close links to domestic OEMs, with local OEMs sometimes being the only major customer of the respective suppliers. In China, domestic OEMs still mostly work with domestic suppliers in body and structural components; therefore, our exposure to the Chinese market is primarily through supplying foreign OEMs.

#### ***Competitive landscape for chassis***

Market concentration dynamics for chassis are similar to Body-in-White, with Western and Eastern Europe, North America and South America being somewhat highly consolidated, while the Asian market remains fragmented. We believe that we are number two in the market by individual suppliers in Western and Eastern Europe combined, and in South America, with estimated regional market shares of approximately 24% and 25% respectively by revenue in 2011, with Benteler being the market leader in Western and Eastern Europe and Magna being the market leader in South America. The North American market in particular exhibits very high concentration, with Benteler, Magna, Martinrea, Metalsa and Tower International holding substantial market shares. We do not have a significant presence in chassis in North America. In the Asian market, domestic suppliers such as Hyundai Mobis and Yorozu have significant market shares, with Benteler, Magna and Tower International being the leading international competitors. Our presence in the Asian market is still relatively small and is focused on working with foreign OEMs in the region. The local trends in Chassis are similar to those described for Body-in-White in Asia,

#### ***Competitive landscape for hinges and mechanisms***

We believe that we are the clear market leader by individual suppliers in Western and Eastern Europe combined, and in South America, with estimated regional market shares of approximately 50% and 40%, respectively, by revenue in 2011; a significantly higher market share than any of our competitors. Our key competitors in Western and Eastern Europe are ISE Automotive Group and Multimatic Inc. (“Multimatic”). We do not have any individual significant competitors in South America, and compete against a range of players with substantially lower market shares in the region; including AISIN SEIKI Co. Ltd. (“AISIN”), Flex-N-Gate Plastics Group (“Flex”), Midway Products and Mitsui Kinzoku AC. We are relatively small players in North America and medium-sized players in Asia, where it is difficult to estimate our market position with any accuracy.

#### ***Key customer criteria for purchasing decisions***

We believe that our customers choose between different suppliers based largely on the following criteria:

- Price competitiveness
- Product quality
- Ability to manage complex projects
- R&D competencies
- Process technology competencies
- Tooling competencies across the value chain
- Breadth of geographical manufacturing footprint
- Financial stability
- Partnership in consolidation/rationalization of the global automotive supplier base

We principally compete for new business both at the beginning of the development of new models and upon the redesign of existing models. Once a supplier has been designated to supply parts for a new program, an OEM usually will continue to purchase those parts from the designated producer for the life of the program, although not necessarily for a redesign. OEMs typically rigorously evaluate suppliers based on many criteria such as quality, price/cost competitiveness, system and product performance, reliability and timeliness of delivery, new product and technology development capability, excellence and flexibility in operations, degree of global and local presence, effectiveness of customer service and overall management capability.

We believe that we compete effectively with other leading suppliers in our market. The strength and breadth of our program management and engineering capabilities, as well as our geographic, customer and product diversification, provide the necessary scale to be cost and quality competitive. We follow



manufacturing practices designed to improve efficiency and quality so that we can deliver quality components and systems to our customers in the quantities and at the times ordered.

Although there are many players in the global automotive industry, in the areas of the industry in which we operate, there are very few global competitors, as the financial and logistical constraints inherent in establishing and maintaining a true global presence are quite high. Our major competitors include Benteler, Magna and Tower in Body-in-White and Chassis and Flex, AISIN and Multimatic in Mechanisms. We compete with other companies with respect to certain of our products and in particular geographic markets. The number of our competitors has decreased in recent years and we believe will continue to decline due to continued supplier consolidation and the recent economic downturn. We expect that OEMs will continue to be increasingly focused on the financial strength and viability of their supply base. We believe that such scrutiny of suppliers will result in additional contraction in the supplier base and may force combinations of some suppliers.

## **Joint ventures**

### *Mitsui Investment in our American Operations*

On January 4, 2013 we entered into an investment agreement with Mitsui according to which Mitsui will acquire a 30% minority stake in our operations in North and South America by investing €297.0 million in newly issued shares of Gestamp North America, Inc., Gestamp 2015, S.L., Gestamp 2016, S.L. and Gestamp Brasil Indústria de Autopeças, S.A. (collectively the “Holdcos”), our US, Mexican, Argentine and Brazilian sub-holding companies, respectively. The completion of the Mitsui Investment is subject to the satisfaction of certain conditions precedent, including obtaining certain regulatory approvals and our acquisition of the 35% interest in our Mexican subsidiaries currently owned by Cofides. We have agreed to acquire this stake from Cofides, and we expect to close this repurchase before the end of June 2013. We have entered into a shareholders’ agreement with Mitsui on January 4, 2013 to govern the terms of the Mitsui Investment and promote the efficient management of each of the Holdcos. The governance structure reflects our majority holding, with certain reserved matters on which both we and Mitsui must agree.

Each Holdco is required to fund its operations in any calendar year such that 20% of related capital costs are financed by debt and 80% are financed by retained earnings or capital contributions. The shareholders’ agreement also contains certain restrictions on guarantees being given by any of the Holdcos or their respective subsidiaries for obligations of Gestamp Automoción and its affiliates. Subject to cash and working capital needs and certain additional obligations, the joint venture’s policy would be that the Holdcos would declare and pay dividends which, on an aggregate annual basis, amount to the lesser of (i) 60% of the Holdcos’ net profit; and (ii) the maximum amount permitted to be distributed under applicable law.

Each of the shareholders is subject to a three year lock-up period during which time they are, subject to limited exceptions, restricted from taking certain actions as regards the shares they hold in the Holdcos including, but not limited to, selling, pledging or otherwise disposing of their shares. After the lock-up period and subject to certain restrictions as regards transfers to competitors, the shareholders’ agreement includes standard exit provisions including rights of last refusal, a tag-along right for Mitsui and a drag-along right for us. The shareholders’ agreement also includes typical put options, both for us and for Mitsui on a change of control and, following a material default under the shareholders’ agreement; a call option for us (where Mitsui is the defaulting party) and a put option for Mitsui (where we are the defaulting party). The shareholders’ agreement also contains certain non-compete restrictions on Mitsui.

Our other joint ventures include:

### *Liberty Investment in GMF Holding.*

On April 28, 2011 our subsidiary Gestamp Metalbages, S.A. signed a sale and purchase agreement with ThyssenKrupp for the acquisition of 100% of the share capital of certain companies of the metal forming business unit of the ThyssenKrupp group. After having received the required approvals, as of July 20, 2011, we consummated the aforementioned acquisition through our subsidiary GMF Holding.

On December 5, 2011, Tocqueville, a subsidiary of Liberty, subscribed a number of shares representing a 49.06% non-controlling interest in GMF Holding. Under our agreement with Liberty, we have an option to purchase the shares of GMF Holding held by Tocqueville for a fixed purchase price of €104.0 million on or prior to September 5, 2013, failing which Tocqueville may sell its shares to a third party. Upon any such



sale, if the sale price realized by Tocqueville is lower than €104.0 million, then we will be obliged to pay Société Générale, which in turn will be obliged to pay Tocqueville, an amount such that Tocqueville would receive an aggregate amount of €104.0 million for its shares. Under the terms of the Société Générale Guaranteed Back-up Facility Agreement, in the event that Tocqueville receives an amount of less than €104.0 million in the sale of its shares in GMF Holding to a third party, Société Générale has agreed to make available to Gestamp Metalbages, S.A. a term loan facility up to €104.0 million. The Société Générale Guaranteed Back-up facility Agreement terminates on September 5, 2013.

#### *Severstal*

On October 2008 our subsidiary Gestamp Levante, S.L. signed a shareholders agreement with the Russian steel manufacturer JSC Severstal and its subsidiary Severstal Trade GesmbH, pursuant to which Gestamp incorporated a joint venture company in Spain, Todlem, S.L., which is the holding company of two operative companies in Russia, Gestamp Severstal Vsevolozhsk LLC and Gestamp Severstal Kaluga LLC. The current shareholding structure of the joint venture company is as follows: Gestamp (through the company Gestamp Holding Rusia, S.L.) 74.98% of the share capital; Severstal (through Severstal Trade GesmbH): 25.02%. The governance structure reflects our majority holding, with certain reserved matters on which both we and Severstal must agree.

#### *Beyçelik, A.S., joint venture with Faik Çelik Holding A.S.*

On June 13, 2007, our subsidiary Gestamp Servicios, S.A. (“Gestamp Servicios”) entered into a share purchase agreement with certain members of the Çelik family pursuant to which it acquired a 50% stake in Beyçelik Gestamp Kalip ve Oto Yan Sanayii Pazarlama ve ticaret A.S. (the “Beyçelik JV”) for a total consideration (subject to certain adjustments) of €52.5 million. On July 27, 2007, Gestamp Servicios signed a shareholders’ agreement with certain members of the Çelik family and Faik Çelik Holding A.S. (the “Local Shareholders”), pursuant to which the management of the Beyçelik JV is governed on a 50-50 basis. On July 11, 2012 Beyçelik Gestamp A.S. acquired 50% of the share capital of GMF Otomotiv Parçaları Sanayi Ve Ticaret Limited Şirketi (former ThyssenKrupp Otomotiv Parçaları Sanayi Ve Ticaret Limited Şirketi) (“GMF Otomotiv”) from Gestamp Tallent Automotive Limited, and thus GMF Otomotiv became part of the joint venture with Faik Çelik Holding A.S.

#### *Sungwoo*

In order to develop business opportunities and projects in India, certain of our subsidiaries have entered into joint venture agreements with a Korean company, Sungwoo Hitech Co. Ltd. (“Sungwoo”). These include the following arrangements: (i) On July 29, 2011, Gestamp Solblank Barcelona, S.A. signed a joint venture agreement with Sungwoo pursuant to which it acquired a 50% interest in Gestamp Sungwoo Stampings and Assemblies Private Ltd., for a total consideration of 315.0 million Indian Rupees; (ii) On March 3, 2009, Gestamp Cerveira, Lda. signed a joint venture agreement with Sungwoo pursuant to which it acquired a 50% interest in Sungwoo Gestamp Hitech (Pune) Private Ltd. (previously known as Sungwoo Automotive India Private Limited), for a total consideration of 300.0 million Indian Rupees; and (iii) On December 8, 2008, Gestamp Toledo S.L. signed a share purchase agreement with Tata Autocomp Systems Limited (“Tata”) and Sungwoo Gestamp Hitech (Chennai) Limited (previously known as Technical Stampings Automotive Limited) (the “Toledo JV”), pursuant to which it acquired Tata’s 50% interest in the Toledo JV for a total consideration of 225.0 million Indian Rupees (minus certain additional fees). The management of the Toledo JV is managed pursuant to a joint venture agreement dated November 26, 2008, between Gestamp Toledo S.L., Sungwoo and the Toledo JV.

#### *Shanghai Edscha Machinery Co. Ltd.*

On May 21, 1994 Edscha AG signed a joint venture contract (contract which was transferred to Edscha Holding GmbH) with Shanghai Automotive Forging Works pursuant to which Edscha acquired a 50% interest in Shanghai Edscha Machinery Co. Ltd., for a total initial contribution equivalent to approximately €1.8 million.

#### *Anhui Edscha Automotive Parts Co., Ltd.*

On August 10, 2006 Edscha AG, signed a joint venture contract (contract which was transferred to Edscha Holding GmbH) with Anhui Jiang Nan Machinery Limited Liability Company, pursuant to which Edscha

acquired a 70% interest in Anhui Edscha Automotive Parts Co., Ltd., a sino-foreign equity joint venture, for a total initial cash contribution of approximately €1.1 million.

### *Sodical*

On December 22, 2010 our group companies, Edscha Holding GmbH (“Edscha Holding”) and Edscha Engineering GmbH (“Edscha Engineering”) signed an investment agreement (the “Investment Agreement”) with Ade Capital Sodical, Sociedad de Capital Riesgo de Régimen Común, S.A. (“Sodical”) according to which Sodical paid €6 million to acquire newly issued shares in Gestamp 2008, S.L. (“Gestamp 2008”) representing a 40% stake, maintaining Edscha Holding and Edscha Engineering the remaining 60% stake. The joint venture is governed pursuant to a shareholders’ agreement dated December 22, 2010, which reflects our majority holding with certain minority protection rights for Sodical. Subject to Gestamp 2008 having available reserves, it is required to declare and pay an annual dividend which amount shall depend on the EBITDA of the Gestamp group company, Edscha Burgos, S.L., a company in which Gestamp 2008 currently holds a 99.97% stake.

### **Property, Plant and Equipment**

Our registered address is in the industrial park of Lebario S/N 48220 in Abadiño, Spain.

We have an extensive global footprint and our products are manufactured at 94 plants in 19 countries, with four additional plants under construction as of December 31, 2012. Our plants are strategically positioned to serve our global customer base locally and to create logistical cost-efficiencies. The following table sets forth selected information regarding our top 20 production facilities by size.

<b>Manufacturing Plant</b>	<b>Country</b>	<b>Land Surface (m<sup>2</sup>)</b>	<b>Owned/Leased</b>	<b>Date Opened</b>	<b>Date Acquired (if applicable)</b>
Gestamp Mason . . . . .	USA	254,952	Owned	1998	2004
Gestamp South Carolina . . . . .	USA	250,000	Owned	2007	2009
Gestamp Bielefeld . . . . .	Germany	205,500	Owned	1983	2011
Gestamp Santa Isabel . . . . .	Brazil	204,998	Owned	2011	NA
Gestamp Alabama (McCalla) . . . . .	USA	178,466	Leased	2004	2004
Gestamp Le Theil . . . . .	France	172,000	Owned	1964	2011
Gestamp Llanelli . . . . .	UK	153,000	Owned	1961	2011
Gestamp Severstal Vsevolozhsk . . . . .	Russia	149,850	Owned	2009	NA
Gestamp Severstal Kaluga . . . . .	Russia	149,250	Leased	2010	NA
Gestamp Paraná . . . . .	Brazil	135,783	Owned	1999	NA
Gestamp Baires Escobar . . . . .	Argentina	129,507	Owned	2006	NA
Edscha Hengersberg Real State . . . . .	Germany	118,136	Owned	1963	2010
Sungwoo Gestamp Hitech . . . . .	India	114,591	Owned	2009	2009
Gestamp Ludwigsfelde . . . . .	Germany	113,000	Owned	1991	2011
Gestamp Automotive India . . . . .	India	107,500	Leased	2009	NA
Gestamp Shenyang . . . . .	China	103,669	Leased	2012	NA
Gestamp Griwe Haynrode . . . . .	Germany	100,889	Owned	1991	2000
Gestamp Kunshan . . . . .	China	100,800	Leased	2008	NA
Gestamp Hungary . . . . .	Hungary	100,000	Owned	1999	2003
Gestamp Taubate . . . . .	Brazil	93,000	Owned	1996	1999

Of our 98 production facilities, 57 are acquired sites, 31 are greenfield sites, six are acquired sites which have subsequently been substantially re-developed and four sites are currently under construction. Of the 57 sites which we have acquired, 12 were acquired as part of our acquisition of Edscha and 18 were acquired as part of our acquisition of ThyssenKrupp. Of our 12 R&D centers, three were acquired as part of our acquisition of Edscha and two were acquired as part of our acquisition of ThyssenKrupp.

The following table sets forth the total number of our production facilities and our R&D centers, by region:

<u>Region</u>	<u>Production Facilities</u>	<u>R&amp;D Centers</u>
Western Europe .....	51	8
Eastern Europe .....	14	—
North America .....	9 <sup>(1)</sup>	1
South America .....	9	1
Asia .....	15 <sup>(2)</sup>	2
<b>TOTAL</b> .....	<b><u>98</u></b>	<b><u>12</u></b>

(1) Includes one under construction

(2) Includes three under construction

## Environmental

We have a strong commitment to environmental issues and the impact of our operations on the environment, including with respect to climate change. We are also committed to maintaining high standards of health and safety, both environmental and general. As of December 31, 2012, we had 80 employees dedicated to environmental issues and 72 employees dedicated to health and safety issues.

As manufacturers of automotive components, the impacts generated by us have to be taken into account throughout the life cycle of the vehicle and not only during the manufacturing phase of our parts. For this reason we are committed to adapting and using the best techniques available for our installations, as well as to include environmental aspects in the design and operation of them.

Over the past five years, we have had no material environmental issues, actions, claims or liabilities and are currently not aware of any such issues, actions, claims or liabilities.

In Gestamp it is a requirement that each center has an environmental management certificate that ensures legislative compliance, minimization of contamination and the continued improvement in processes. The majority of our plants are compliant with ISO 14.000 and some also have the European EMAS quality standards.

At corporate level we also have an Environmental Indicator that enables us to monitor the main environmental aspects of all of our production centers. This document considers:

- **Baseline consumption:** Of energy, water and principle raw materials and stocked products;
- **CO<sub>2</sub> emissions:** We reduced our CO<sub>2</sub> emissions in 2012 by 15% relative to our CO<sub>2</sub> emissions in 2011. This was achieved through a variety of initiatives including, but not limited to, technical improvements in manufacturing plants and the acquisition of new equipment and general organizational and systems optimizations; and
- **Waste management:** Each one of the plants identifies and separates the main categories of waste; hazardous and non-hazardous so that it is managed in the most appropriate way.

## Health and Safety

In terms of Health and Safety we are aware of the risks in our business and have a policy that ensures that both our employees and those from other companies working on our premises have a safe and healthy working environment.

According to this policy, we use the same criteria when assessing the performance of any company in terms of Health and Safety and no difference is established between the companies operating in the countries in which we are present.

By means of our own indicator which we call GIRPW (Gestamp's Index of Risk Prevention in the Workplace) we carry out a quarterly inspection to monitor working conditions and the degree of implementation of management systems. This inspection allows us to identify the improvements implemented and to prepare new plans of action.

There is also a system of audits which verifies that these improvements meet with the criteria established in standards, thereby assuring reliability and comparability among the companies.

### **Proceedings**

We are from time to time involved in legal proceedings, claims or investigations that are incidental to the conduct of our business. We vigorously defend ourselves against these claims. In future periods, we could be subject to cash costs or non-cash charges to earnings if any of these matters is resolved on unfavorable terms. However, although the ultimate outcome of any legal matter cannot be predicted with certainty, based on current information, including our assessment of the merits of the particular claims, we do not expect that our pending legal proceedings or claims will have a material adverse impact on our future consolidated financial condition, results of operations or cash flows. As of May 2, 2013, the material proceedings to which we are a party have an aggregate estimated potential liability of €55.0 million, of which approximately €45.7 million relates to contingent liabilities associated with tax audits in Brazil. We have not made any provisions with respect to these contingent tax liabilities in Brazil, because we believe there is a low probability that we may be required to recognize any liability associated with these tax events in Brazil.

### **Employees**

Over the past decade, as our operations have grown, we have seen employee headcount grow commensurately by almost 400%. As of December 31, 2012, we had 30,313 employees globally, of which 49%, 10%, 10%, 17% and 14% were based in Western Europe, Eastern Europe, North America, South America and Asia, respectively.

Our strategy is to manage relations with our employees primarily on a plant level, with the “plant works council” being the forum for employee representation most favored by our employees. As a general rule, each plant has its own collective agreement. This policy allows us to benefit from a number of advantages:

- collective agreements are adapted to the specific circumstances and needs of each plant (for example different geographic areas within a country may have different average salary or cost of living allowances);
- collective agreements can be adapted to the economic performance and productivity of each plant; and
- workers identify themselves better with their own “plant works council” rather than with a country level one.

In addition to this strategy, we try to build open and trusting relations with Union representatives at regional level or country level, in order to allow a bi-directional communication channel to provide them with relevant information, but also to understand their real worries and concerns.

During the global economic crisis, we proactively managed our employee requirements while endeavoring to find constructive measures to manage and retain experienced professionals. Given the global nature of our business and operations, the measures implemented required an in-depth analysis of the legal framework of each jurisdiction in which we operate. Our extensive global footprint has also given us a tool to fight the impact of the global economic crisis as it has allowed for increased geographical mobility and provided us with the ability to temporarily balance our resources across different regions, supporting strategic projects with the most skilled and experienced workers.

Where the opportunities have arisen and it has been possible to do so, we have deployed under-utilized staffing resources from one area of our business to other areas experiencing increased staffing requirements, for example in new greenfield projects in Argentina, Brazil, the US, Russia and India. As a result, we have been able to leverage the know-how of our experienced professionals to ensure that the new plants are well supervised by a trained workforce, achieving the required quality standards, while also retaining key resources.

In addition, we have been able to maintain a streamlined temporary workforce which allows us to react to the evolving demands of our business, partially mitigating the negative effects of the global economic crisis in a short period of time.

Where necessary and where the legal and regulatory labor and employment framework in a jurisdiction allows, we have implemented measures such as temporary reduction of the workforce, early retirement programs (as a way to achieve cost reduction in the short term and to reduce the average age of the staff in the medium to long term) and “Substitute Contracts” which has proven to be an efficient way to manage costs and rejuvenate the workforce, while accommodating the aging population.

## MANAGEMENT

### Board of Directors

Our Board of Directors has the power and duty to manage our corporate affairs. The Board of Directors elects its President and can select one Vice President. Except for matters reserved by law and by the articles to the general shareholders' meeting, the Board of Directors is the highest decision making body of Gestamp Automoción.

The following table sets forth the name and title of each member of the Board of Directors, together with their representatives (in the case of corporate directors), and is followed by a summary of biographical information of each director or representative (in the case of corporate directors), including their respective ages.

Name	Position
Francisco José Riberas Mera . . . . .	President
Holding Gonvarri, S.L. ( <i>represented by Juan María Riberas Mera</i> ) . . . . .	Secretary and Managing Director
Gestamp Bizkaia, S.A. ( <i>represented by Francisco José Riberas Mera</i> ) . . . . .	Managing Director
Risteel Corporation, B.V. ( <i>represented by Francisco López Peña</i> ) . . . . .	Director
Autotech Engineering, A.I.E. ( <i>represented by Juan María Riberas Mera</i> ) . . . . .	Director
Angel Gamboa Llona . . . . .	Director
Arcelormittal Basque Holding, S.L. ( <i>represented by Jean Martin Van der Hoeven</i> ) . .	Director
Arcelormittal Esperbras, S.L. ( <i>represented by Robrecht Himpe</i> ) . . . . .	Director
Arcelormittal Gipuzkoa, S.L. ( <i>represented by Gonzalo Urquijo Fdez de Araoz</i> ) . . . .	Director

**Francisco José Riberas Mera** (48). President of Gestamp Automoción and its Managing Director, as legal representative of Gestamp Bizkaia, S.A., the entity appointed as managing director of Gestamp Automoción. He holds a “Licenciado en Derecho” (University Degree in Law) and “Licenciado en Ciencias Empresariales” (University Degree in Business), both from Comillas University—ICADE (Madrid). He promoted the setting up of Gestamp Automoción in 1997 and assumed the role of Chief Executive Officer. Mr. Francisco José Riberas was a member of the Board of Aceralia from 1998 to 2001. Prior to the establishment of Gestamp Automoción, he held various management positions in Gonvarri Group from 1989. He is a shareholder and director in other companies belonging to the Corporación Gestamp, S.L. group, through the Gonvarri, Gestamp Renewables and Inmobiliaria Acek groups. He also holds a directorship position in CIE Automotive, S.A.

**Juan María Riberas Mera** (44). Secretary and Managing Director of Gestamp Automoción, as legal representative of Holding Gonvarri S.L., the entity appointed as secretary and managing director of Gestamp Automoción. He holds a “Licenciado en Derecho” (University Degree in Law) and “Licenciado en Ciencias Empresariales” (University Degree in Business), both from Comillas University—ICADE (Madrid). He joined Gonvarri Steel Industries in 1992 and he is currently its Chairman and CEO. He promoted Gestamp Renewables where he has been Chairman and CEO since its incorporation in 2007. He holds a shareholding position in the Inmobiliaria Acek group. He also holds a directorship position in CIE Automotive, S.A.

**Francisco López Peña** (54). Chief Financial Officer of Gestamp Automoción. “Ingeniero Industrial” (University Degree in Civil Engineering) at Universidad Politécnica de Barcelona, and Master in Business Administration (MBA) at IESE (Barcelona). He joined Gestamp in 1998 as Corporate Development Director and he is a member of Gestamp Automoción’s Board of Directors from 2009. Prior to joining Gestamp Automoción, he held various management positions in industrial mineral and textile sectors. He also holds a directorship position in CIE Automotive, S.A.

**Angel Gamboa Llona** (67). Member of Gestamp Automoción’s Board of Directors since 1999. He holds a “Licenciado en Ciencias Empresariales” (University Degree in Business) from the Universidad País Vasco. He has been with the Gestamp group since its incorporation in 1997 when he joined as manager of the Bizkaia plant. In 2004, he became Director of the Gestamp North Europe Division. Prior to joining Gestamp Automoción, he held managing positions in other automotive stamping facilities.

**Jean Martin Van der Hoeven** (48). Vice President and Chief Marketing Officer of ArcelorMittal Flat Carbon Europe, S.A. Mr. Van Der Hoeven also serves as Board Manager of CLN Coils Lamiere Nistri S.p.A., as Board Member of Bamesa Çelik S.S.V.T.A.S., Borcelik SANAYII TICARET A.S. and a member of the Supervisory Board at ArcelorMittal Bremen GmbH & Eisenhüttenstadt GmbH.



**Robrecht Himpe** (53). Chief Executive Officer of Flat Europe and Executive Vice President of ArcelorMittal USA Inc. Mr. Himpe serves as the Chief Executive Officer of Flat Europe and Executive Vice President of ArcelorMittal. Mr. Himpe held the position of Chief Operating Officer of Flat Carbon Western Europe (FCWE), which he started in 2007. He was responsible for FCWE Upstream Competence Domain, since 2006, and served as an Operational Director in Arcelor Asturias, since 2003. He served as Operational Director of Arcelor Bremen since 2001. He served as the head of the Sidmar Gent Cold Rolling department, since 1995. Mr. Himpe started his career in 1981 in the Sidmar Gent Hot Strip Mill. Mr. Himpe served as a Director of Paul Wurth S.A. He is an Electrotechnical Engineer, graduated from the University of Gent.

**Gonzalo Urquijo Fdez de Araoz** (50). President of the Board of Directors of ArcelorMittal Spain and Managing Director of Long products, Stainless steel, Tubes, China and Corporate Responsibility of ArcelorMittal, as well as managing director of the ArcelorMittal Foundation. Gonzalo Urquijo was previously senior executive vice president and chief financial officer of Arcelor. Before the creation of Arcelor in 2002, when he became executive vice president of the Operational Unit South of the Flat Carbon Steel sector, Mr Urquijo was CFO of Aceralia. Between 1984 and 1992 he held a variety of positions at Citibank and Crédit Agricole before joining Aristrain in 1992 as CFO, and later co-chief executive officer. Mr Urquijo graduated in economics and political science from Yale University, US, and holds an MBA from the Instituto de Empresa in Madrid, Spain.

The Board of Directors of the Issuer is comprised of Francisco José Riberas Mera, whose business address is Calle de Alfonso XII, 16, 28014 Madrid, Spain, and Michel E. Raffoul and Anne Catherine Grave, both of whose business addresses are 19 Rue de Bitbourg, L-1273 Luxembourg.

## Senior Management

Our senior management team is led by Francisco José Riberas Mera. The following table sets forth the name and title of each member of the senior management team who does not also serve on the Board of Directors, and is followed by a summary of biographical information of each such member including their respective ages.

Name	Position
Bernhard Osburg . . . . .	Senior Manager
Jeff Wilson . . . . .	Senior Manager
David Vázquez Pascual . . . . .	General Counsel
Felipe de Frutos . . . . .	Corporate Finance and Administration Manager
Richard Egües . . . . .	Corporate Development and International Finance Manager

**Bernhard Osburg** (44). Mr. Osburg holds a diploma in Mechanical Engineering University of Düsseldorf. Before joining Gestamp Automoción in 2011, he held various management positions in Johnson Controls and ThyssenKrupp (Head of Automotive Sales, Head of Product Strategy, Managing Director ThyssenKrupp Metal Forming Business Unit for Sales and Engineering) always focusing on global automotive business.

**Jeff Wilson** (53). Mr. Wilson holds a Master in Business Administration and a Bachelor in Science degree. Prior to joining Gestamp Automoción, he held various management roles with international automotive business including Oxford Automotive Corporation (President and Chief Operating Officer), Tower Automotive (NAFTA Group Business Group Director), Lear Corporation (Plant Operations Manager, Interior Systems Group) and O’Sullivan Corporation (Director of Automotive Operations, Gulfstream Division).

**David Vázquez Pascual** (48). Mr. Vázquez Pascual joined Gestamp Automoción in 2000 as General Counsel. He holds a “Licenciado en Derecho” (University Degree in Law) and a “Licenciado en Ciencias Empresariales” (University Degree in Business), both from Comillas University—ICADE (Madrid), and a Master in Business Administration (MBA) from the Madrid Business School. Prior to Gestamp Automoción, he held different roles in banking in Madrid and New York. He became sub-director of the MBA in Madrid Business School in 1990, assuming the direction in 1992. He became Director of the Department of Economics and Business Sciences of the Universidad Nebrija in 1994.

**Felipe de Frutos** (52). Mr. de Frutos joined Gestamp in 2000 as Finance and Administration Director. He holds a “Licenciado en Ciencias Económicas” (University Degree in Economics) at Universidad Autónoma de Madrid. Prior to joining Gestamp, he was appointed Administration Director of Agroman/



Ferrovial in 1988. Previously he worked in Arthur Andersen as senior auditor in the manufacturing area (automotive sector, chemical, metallurgy and electric).

**Richard Egües** (46). Mr. Egües holds a Master in Business Administration, M.I.T. Sloan School of Management and Bachelor of Arts, Yale University. Prior to joining Gestamp Automoción he was CFO of a renewable energy business in Spain. Before that he held corporate banking and corporate finance advisory positions with banking institutions in New York, Frankfurt and Madrid.

### **Compensation**

In 2012, the members of our Board of Directors received no remuneration from us or any of our group companies, nor were they granted any loans, advances, pension or life insurance benefits. In 2012, our shareholder, Corporación Gestamp received a total remuneration of €2.7 million as compensation for membership of the board of certain of our group companies. Further, in 2012 the total remuneration for the members of our senior management amounted to €1.5 million. We made no contributions to pension plans on their behalf.

## **SHAREHOLDERS AND CERTAIN TRANSACTIONS**

Our issued share capital consists of 4,795,953 ordinary shares with a par value of €60.1 each. Each ordinary share carries the right to receive dividends and to receive notice of and vote at any general meeting of shareholders.

Our controlling shareholders are Corporación Gestamp, which holds directly and indirectly 65% of our ordinary shares and ArcelorMittal S.A., which indirectly holds the remaining 35% of our ordinary shares.

### **Terms and conditions of transactions with related parties**

#### **Transactions in the ordinary course**

We enter into a significant number of transactions on a regular basis and in the ordinary course of business with companies forming part of the Gonvarri group primarily related to the purchase of steel blanks and coils for a consideration of approximately €800.0 million annually.

We also enter into transactions in the ordinary course of business with Corporación Gestamp, its shareholders and subsidiaries, including lease and license agreements, professional and other services and the sale of goods. In particular, we have leased the following properties from Inmobiliaria Acek S.L. (in which Corporación Gestamp holds a 66.6% shareholding): (i) the plant in Vigo and part of the plant in Bizkaia (ii) the offices located at Alfonso XII, Madrid; and (iii) part of the offices located at Ombú 3, Madrid, all of them for an aggregate annual payment of approximately €3.0 million.

In addition to the above, and according to our business needs from time to time, we charter an airplane from Air Executive, which is a fully owned subsidiary of Corporación Gestamp. The total amount paid to Air Executive for the charter of the airplane amounts to approximately €1.0 million annually.

We sell our scrap steel to Gescrap S.L. (in which Corporación Gestamp holds a 50% shareholding) and to Reimasa Scrap AIE (in which Corporación Gestamp holds a 40% shareholding) for a consideration of approximately €40.0 million annually.

We expect to continue in the future to enter into these types of transactions with the Gonvarri group and with Corporación Gestamp and its subsidiaries.

#### **Sale of Trademark**

In January 2013, Corporación Gestamp sold to Gestamp Automoción the Gestamp trade mark for the automotive category to Gestamp Automoción. The consideration for the sale was €31.0 million to be paid within 20 years by annual installments.

#### **EIB loan and ICO loans**

On June 27, 2011, our shareholder, Corporación Gestamp entered into a €125.0 million loan agreement with the European Investment Bank and on November 17, 2011 our shareholder, Corporación Gestamp entered into a €50.0 million loan agreement with Instituto de Crédito Oficial. We and certain Guarantors have given a guarantee in respect of these loans and we account for this liability as a contingent obligation in our financial statements. Corporación Gestamp drew down only €152.0 million and passed on €143.0 million of the combined loan proceeds to us. As of December 31, 2012, the current balance between Corporación Gestamp and us in respect of this amount is €45.0 million. These facilities terminate on July 12, 2018 and November 17, 2018 respectively.

#### **Transactions with Directors**

In 2012, Corporación Gestamp received a total remuneration of €2.7 million as compensation for membership of the board of certain of our group companies.

## DESCRIPTION OF OTHER INDEBTEDNESS

*The following section contains a summary of certain key terms of the Senior Facilities Agreement and the Intercreditor Agreement and other financing arrangements. The section is intended to be a summary only and does not purport to be a complete or exhaustive description of the topics summarized. Terms not defined in the following section have the meanings given to them in the Senior Facilities Agreement.*

### Senior Facilities Agreement

Gestamp Automoción and the Issuer are parties to a senior term and revolving facilities agreement dated April 19, 2013 (the “Senior Facilities Agreement”) entered into between, among others, Gestamp Automoción as the company and original borrower, various subsidiaries of Gestamp Automoción (including the Issuer) as original guarantors, the original lenders listed therein, Deutsche Bank AG, London Branch as agent (“Agent”) and security agent. See “Annex A: Senior Facilities Agreement”.

### Senior facilities

#### Committed facilities

The Senior Facilities Agreement currently provides for committed facilities of €850 million, split into:

- a five year amortizing euro term loan facility of €570 million (“Facility A”); and
- a five year multi-currency revolving credit facility of €280 million (the “Revolving Credit Facility”).

#### Uncommitted facility

The Senior Facilities Agreement also provides for an uncommitted euro term loan facility (“Facility B and together with Facility A and the Revolving Facility the “Senior Facilities”). Gestamp Automoción and the new Facility B Lenders may decide to activate the Facility B prior to the date of initial utilization of the Senior Facilities (the “Closing Date”). The Company may decide at its discretion, if the Facility B is activated, to reduce the amount of the Facility A commitments.

### Availability and purpose

Facility A and Facility B (if made available) will be available (subject to satisfaction of various customary conditions precedent) from the date of the Senior Facilities Agreement until the date that is 45 days after the date of the Senior Facilities Agreement. Facility A and Facility B (if made available) may only be utilized if they are each utilized pro rata to the available commitments under such facility on the date of utilization. Facility A may be utilized by Gestamp Automoción only and Facility B may be utilized by the Issuer only. Gestamp Automoción and the Issuer are required to apply amounts drawn under Facility A and Facility B (if made available) towards: (i) refinancing certain existing indebtedness of Gestamp Automoción and its subsidiaries (the “Group”) and payment of associated costs and expenses; (ii) payment of costs and expenses incurred by the Group in relation to entry into the Senior Facilities Agreement and issuance of the notes; and (iii) general corporate purposes of the Group.

The Revolving Credit Facility will be available (subject to satisfaction of various customary conditions precedent) from the date of the Senior Facilities Agreement until the date that falls one month prior to the date that is five years from the date of the Senior Facilities Agreement. The Revolving Credit Facility may be utilized by Gestamp Automoción and its subsidiaries incorporated in Spain or Luxembourg (or otherwise as approved) that accede to the Senior Facilities Agreement as Revolving Credit Facility borrowers. Amounts drawn under the Revolving Credit Facility can be used for general corporate and working capital purposes of the Group. The Revolving Credit Facility may also be utilized by way of letters of credit and the Group has the ability to enter into bilateral ancillary facilities with lenders under the Revolving Credit Facility.

### Interest rates and fees

The interest rate on each loan under the Senior Facilities Agreement for each interest period is the rate per annum which is the aggregate of the applicable (a) margin (see below) and (b) LIBOR or, in relation to any loan in euro, EURIBOR.

The initial margin for Facility A and the Revolving Credit Facility is 3.50% per annum. The margin for the Facility B (if made available) will be agreed between Gestamp Automoción and the Facility B lenders.

There is a margin adjustment mechanism in the Senior Facilities Agreement pursuant to which the margin applicable to the Facility A and the Revolving Credit Facility will be adjusted upwards or downwards based on the ratio of Net Financial Indebtedness to Adjusted EBITDA in respect of any relevant testing period, as demonstrated in the compliance certificate required to be delivered with the annual audited and quarterly unaudited financial statements of the Group. There will be no adjustment to the initial margins set out above until a period of at least 12 months has elapsed since the Closing Date. While an event of default is continuing under the Senior Facilities Agreement, the applicable margin will be the highest margin applicable to each Senior Facility.

Pursuant to the Senior Facilities Agreement, Gestamp Automoción is obligated to pay certain fees, including an arrangement and structuring fee, and a commitment fee in respect of the available but undrawn Revolving Facility commitments.

### **Guarantees**

Pursuant to the terms of the Senior Facilities Agreement, Gestamp Automoción, the Issuer and certain subsidiaries of Gestamp Automoción (together with Gestamp Automoción and the Issuer, the “SFA Guarantors”) guarantee all amounts due to the lenders and other finance parties under the Senior Facilities Agreement and related finance documents. The guarantees granted by the SFA Guarantors are subject to certain guarantee limitations which are set out in the Senior Facilities Agreement. These guarantee limitations primarily limit the scope of the guarantees granted by the SFA Guarantors to ensure that they comply with the laws of the jurisdictions in which the SFA Guarantors are incorporated.

Gestamp Automoción is required to ensure that Gestamp Toledo, S.L., Gestamp Levante, S.L., Edscha Burges, S.L. and Edscha Santander, S.L. are converted to Sociedad Anónimas as soon as reasonably practicable after the date of the Senior Facilities Agreement (and in any event prior to the date that is 6 months after the date of the Senior Facilities Agreement) and after such conversion, ensure that they accede to the Senior Facilities Agreement as guarantors.

Gestamp Automoción is required to ensure that each of its subsidiaries in which it holds at least 90 per cent. of the ordinary shares, and which for the last financial year has (a) earnings before interest, tax, depreciation and amortization (i) calculated on the same basis as EBITDA, representing 2.50% or more of the Group’s EBITDA; and (ii) (calculated on the same basis as EBITDA but on an unconsolidated basis) greater than €10,000,000; or (b) which has net assets representing 2.5% or more of the Group’s net assets (calculated on a consolidated basis) (a company meeting these criteria being a “Material Company”), accedes to the Senior Facilities Agreement as an additional guarantor as soon as possible after becoming a Material Company. The obligation to require such a Material Company to accede as a guarantor is subject to certain limitations specified in the Senior Facilities Agreement and does not apply to a Spanish company established as an Agrupación de Interés Económico or any subsidiary incorporated in any country located in North America or South America or in Japan, China, South Korea, India or Taiwan.

Any subsidiary of Gestamp Automoción that becomes a guarantor in respect of the notes is also required to accede to the Senior Facilities Agreement as a guarantor.

### **Security**

Gestamp Automoción and (other than in relation to paragraph (e) below) Gestamp Servicios, S.A. are required, within 10 business days of the Closing Date, to grant Spanish law pledges (the “Initial Share Pledges”) over all of the shares held by them in the following subsidiaries:

- (a) Gestamp Metalbages, S.A.;
- (b) Gestamp Bizkaia, S.A.;
- (c) Gestamp Vigo, S.A.;
- (d) Gestamp Palencia, S.A.; and
- (e) Gestamp Servicios, S.A.

(The companies listed in (a) to (e) above being the “Initial Share Security Subsidiaries”).

Gestamp Automoción and Gestamp Servicios, S.A. are also required to grant a Spanish law governed pledge (the “Gestamp Toledo Share Pledge” and together with the Initial Share Pledges and the Gestamp

Servicios Share Pledge (as defined below), the “Senior Facilities and Senior Secured Notes Share Pledges”) over the shares held by them in Gestamp Toledo, S.L. (“Gestamp Toledo” and together with the Initial Share Security Subsidiaries, the “Share Security Subsidiaries”) as soon as reasonably practicable after the conversion of Gestamp Toledo to a Sociedad Anónima (and in any event within 6 months after the date of the Senior Facilities Agreement), which conversion Gestamp Automoción is required to procure occurs as soon as reasonably practicable after the date of the Senior Facilities Agreement (and in any event within 6 months after the date of the Senior Facilities Agreement). Gestamp Toledo is required to grant a Spanish law governed pledge (the “Gestamp Servicios Share Pledge”) over the shares it owns in Gestamp Servicios, S.A. as soon as reasonably practicable after its conversion to a Sociedad Anónima (and in any event within 6 months after the date of the Senior Facilities Agreement).

The Senior Facilities and Senior Secured Notes Share Pledges will secure obligations owed under the Senior Facilities Agreement and related finance documents and the notes. Simultaneously with entry into the Initial Share Pledges, the Gestamp Toledo Share Pledge and the Gestamp Servicios Share Pledge, Gestamp Automoción and where applicable, Gestamp Servicios, S.A. and Gestamp Toledo will grant Spanish law governed pledges (the “Existing Creditor Share Pledges”) over the shares they hold in the Initial Share Security Subsidiaries and Gestamp Toledo as security for amounts owed in respect of the Designated Existing Indebtedness. The Senior Facilities Agreement also permits Gestamp Automoción and its subsidiaries to grant pledges (the “Future Creditor Share Pledges” and together with the Senior Facilities and Senior Secured Notes Share Pledges and the Existing Creditor Share Pledges, the “Transaction Security”) over the shares it holds in the Share Security Subsidiaries as security for obligations that may in the future be owed by the Group to other creditors subject to satisfaction of certain conditions set out in the indenture, the Senior Facilities Agreement and the Intercreditor Agreement (any such indebtedness being “Additional Senior Financing”). The security created by the Transaction Security will rank in the order described in the section titled “—Intercreditor Agreement” below.

### **Undertakings**

The Senior Facilities Agreement contains certain negative undertakings that, subject to certain customary and other agreed exceptions, limit the ability of each obligor (and in certain cases, members of the Group) to, among other things:

- incur or allow to remain outstanding financial indebtedness;
- be a creditor in respect of financial indebtedness;
- create or permit to subsist any security over any of its assets;
- sell, lease, transfer or otherwise dispose of its assets;
- issue or allow to remain outstanding any guarantee in respect of any liability or obligation owed to any person;
- declare or pay any dividend or other payment or distribution of any kind on or in respect of any of its shares; and
- make acquisitions of companies, businesses or undertakings.

In addition to the undertakings listed above, the Senior Facilities Agreement contains a number of other customary positive and negative undertakings.

### **Financial covenants**

The Senior Facilities Agreement contains financial covenants that require the Group to ensure that:

- the ratio of EBITDA to Financial Expenses is not lower 5.00:1.00 on each testing date; and
- the ratio of Net Financial Indebtedness to Adjusted EBITDA is not higher than 3.00:1.00 on each testing date.

The financial covenants will be first tested in respect of the testing period ending on or around December 31, 2013.

**Maturity**

Loans drawn under Facility A are required to be repaid in semi-annual instalments, starting from the date that is 12 months after the date of the Senior Facilities Agreement, in accordance with an amortization schedule set out in the Senior Facilities Agreement, with the final repayment instalment due on the date that is five years after the date of the Senior Facilities Agreement. Loans drawn under Facility B (if made available) have to be repaid in a single instalment on the date that is six years after the date of the Senior Facilities Agreement. Each loan under the Revolving Credit Facility is required to be repaid on the last day of each interest period, provided however that Revolving Credit Facility loans may be redrawn subject to the terms and conditions set out in the Senior Facilities Agreement. All outstanding loans under the Revolving Credit Facility and any outstanding letters of credit are required to be repaid in full on the date that is five years after the date of the Senior Facilities Agreement.

**Prepayments**

Subject to certain conditions, Gestamp Automoción or the other borrowers under the Senior Facilities Agreement may voluntarily cancel any available commitments under, or voluntarily prepay any outstanding utilizations of, the Senior Facilities by giving 3 business days' prior notice to the Agent. Any Facility A or Facility B loans that are prepaid may not be reborrowed and the relevant commitments will be cancelled. Any Revolving Credit Facility utilizations that are prepaid may (subject to the terms of the Senior Facilities Agreement) be reborrowed.

Subject to certain exceptions and/or thresholds, mandatory prepayments of amounts outstanding under the Senior Facilities are required to be made upon the disposal of certain categories of assets, recovery of insurance claim proceeds or a flotation (which does not cause a change of control of Gestamp Automoción).

A change of control of Gestamp Automoción will trigger a 30 day consultation period with the lenders under the Senior Facilities Agreement. At the end of such consultation period, each lender who does not wish to continue being a lender under the Senior Facilities Agreement may request prepayment of all amounts owed to it. Any lender who makes such a request must be prepaid within five business days and all of such lender's commitments will be cancelled. The Senior Facilities will be automatically cancelled and be immediately repayable upon a sale of all or substantially all of the assets of the Group to a third party.

"change of control" for these purposes means Corporacion Gestamp Group, Arcelor Mittal Group and their respective affiliates ceasing to directly or indirectly (a) have the power to (i) cast, or control the casting of, at least 50.01% of the votes that may be cast in a general meeting of Gestamp Automoción; (ii) appoint or remove all, or the majority of the directors or equivalent officers of Gestamp Automoción; or (iii) give directions with respect to the operating and financial policies of Gestamp Automoción with which the directors or equivalent officers are obliged to comply; or (b) hold beneficially at least 50.01% of the issued share capital of Gestamp Automoción with voting rights.

**Events of default**

The Senior Facilities Agreement contains events of default customary for financings of this nature (with customary and agreed thresholds and carve-outs), the occurrence of any of which will allow the lenders under the Senior Facilities Agreement to cancel available commitments under the Senior Facilities, declare all amounts owed under the Senior Facilities Agreement to be due upon demand and/or demand immediate repayment of all amounts owed under the Senior Facilities Agreement.

**Intercreditor Agreement**

On May 10, 2013, Gestamp Automoción, the Issuer, the Subsidiary Guarantors, the Trustee, the Agent, the Security Agent, the lenders under the Senior Facilities Agreement and certain other parties entered into the Intercreditor Agreement to establish the relative rights of certain of the Group's creditors including creditors under the Senior Facilities Agreement, the indenture for the notes, the Designated Existing Indebtedness and any Additional Senior Financings. By accepting a note, holders of notes will be deemed to have agreed to and accepted the terms and conditions of the Intercreditor Agreement. See "Annex B: Intercreditor Agreement".



The Intercreditor Agreement sets out:

- the ranking of the indebtedness under the Senior Facilities Agreement, the notes, the Designated Existing Indebtedness and any Additional Senior Financing (together the “Senior Secured Debt” and the creditors to whom the Senior Secured Debt is owed being the “Senior Secured Creditors”);
- the ranking of the security created pursuant to the Transaction Security;
- the procedure for enforcement of the Transaction Security and any guarantee granted in favour of the Senior Secured Creditors and the allocation of proceeds resulting from such enforcement;
- the types of disposals permitted under distressed and non-distressed scenarios and the Security Agent’s authority to release the Transaction Security and guarantees granted in favour of the Senior Secured Creditors in case of a distressed and non-distressed disposal;
- the terms pursuant to which intra-Group debt and certain debt owed to Corporación Gestamp (not including the on-loan by Corporación Gestamp of the proceeds of the EIB Loan Facility and the ICO Loan Facility) and other equity investors (“Equity Investor Liabilities”) will be subordinated; and
- turnover provisions.

The following description is a summary of certain provisions contained in the Intercreditor Agreement. It does not restate the Intercreditor Agreement in its entirety and, as such, we urge you to read that document (set out in Annex B) because it, and not the discussion that follows, defines certain rights (and restrictions on entitlement) of the holders of the notes and other Senior Secured Creditors.

### **Priority of debts**

The Intercreditor Agreement provides that all liabilities owed under the Senior Facilities Agreement, the notes, the Designated Existing Indebtedness and the Additional Senior Financing (including in each case, any liabilities owed pursuant to any guarantees given in respect of such debt) rank *pari passu* and without any preference between them and in priority to any intra-Group debt and Equity Investor Liabilities.

### **Ranking of security**

The Intercreditor Agreement provides that the Transaction Security ranks and secures the Senior Secured Debt as follows:

- (a) first, security created pursuant to the Senior Facilities and Senior Secured Notes Share Pledges which security secures indebtedness under the Senior Facilities Agreement and indebtedness in respect of the notes *pari passu* and without any preference between them;
- (b) second, security created pursuant to the Existing Creditor Share Pledges which security secures the Designated Existing Indebtedness *pari passu* and without any preference between the different facilities; and
- (c) thereafter, security created pursuant to the Future Creditor Share Pledges and any security created pursuant to share pledges granted in favour of lenders of ancillary facilities entered into under the Senior Facilities Agreement after the date of the Initial Share Pledges (each such facility a “Subsequent Ancillary Facility”) in the order of priority in which they are entered into in respect of indebtedness under any Additional Senior Financing and Subsequent Ancillary Facility.

Notwithstanding the order of ranking set out above, the date of execution or order the Transaction Security documents are entered into, or the ranking under applicable law, it is agreed that the Transaction Security ranks and secures the Senior Secured Debt *pari passu* without preference between the different categories of Senior Secured Debt.

### **Enforcement and application of proceeds**

The Intercreditor Agreement sets forth procedures for enforcement of the Transaction Security. Subject to the Transaction Security having become enforceable, Senior Secured Creditors whose Senior Credit Participations aggregate more than 50% of the total Senior Credit Participations (the “Instructing Group”) are entitled to direct the Security Agent to enforce or refrain from enforcing the Transaction Security, as they see fit. The Security Agent may refrain from enforcing the Transaction Security unless otherwise instructed by Instructing Group. For these purposes, “Senior Credit Participations” means at any time in relation to a Senior Secured Creditor, the aggregate amount owed to such Senior Secured Creditor.

The proceeds of enforcement of the Transaction Security or any guarantees granted in respect of the Senior Secured Debt and all other amounts paid to the Security Agent under the Intercreditor Agreement shall be applied in the following order:

- first, in payment on a *pari passu* and *pro rata* basis any sums (including fees, costs, expenses and liabilities) owing to (i) the Security Agent or any receiver, delegate, attorney or agent appointed under the Transaction Security documents or the Intercreditor Agreement; (ii) the Agent or any creditor representative in its capacity as such (but not bilateral lenders) in respect of any Additional Senior Financing; and (iii) the Trustee;
- second, on a *pari passu* and *pro rata* basis to the (i) Agent on its own behalf and on behalf of the creditors under the Senior Facilities Agreement; (ii) the Trustee on its own behalf and on behalf of the noteholders; (iii) each creditor in respect of the Designated Existing Indebtedness; and (iv) any creditor representative in respect of an Additional Senior Financing on its own behalf and on behalf of the creditors under such Additional Senior Financing, for application towards the discharge of amounts owed under the Senior Facilities Agreement (in accordance with the terms thereof), the notes (in accordance with the Indenture), the Designated Existing Indebtedness (on a *pro rata* basis) and any Additional Senior Financing (on a *pro rata* basis);
- third, if none of the debtors is under any further actual or contingent liability under any of the Senior Secured Debt documents, in payment to any person the Security Agent is obliged to pay in priority to any debtor; and
- fourth, in payment or distribution to the relevant debtors.

### **Distressed and non-distressed disposals**

The Security Agent is authorised (without the requirement to obtain any further consent or authorisation from any Senior Secured Creditor) to release from the Transaction Security any asset that is the subject of a disposal permitted by the Senior Secured Debt documents and the Transaction Security documents and which is not a Distressed Disposal. A Distressed Disposal means a disposal effected (i) by way of enforcement of the Transaction Security; (ii) at the request of the Instructing Group in circumstances where the Transaction Security has become enforceable; or (iii) by a debtor to a third party (not being a member of the Group) after any of the Senior Secured Debt has been accelerated.

If to the extent permitted by applicable law a Distressed Disposal is being effected or the shares of the Share Security Subsidiaries are being appropriated by the Security Agent, the Security Agent is authorised (without the requirement to obtain any further consent or authorisation from any Senior Secured Creditor or other relevant party): (i) to release the Transaction Security or any other claim over any asset subject to the Distressed Disposal or appropriation; and (ii) if the asset subject to the Distressed Disposal or appropriation is the shares of a Group company, to release such Group Company and/or its subsidiaries from any liabilities under borrowings and/or guarantees under the Senior Secured Debt documents, Intra-Group debt documents or documents evidencing Equity Investor Liabilities.

### **Intra-Group debt**

Pursuant to the Intercreditor Agreement, Gestamp Automoción and its subsidiaries party thereto that are creditors in respect of intra-Group debt have agreed to subordinate intra-Group debt to the Senior Secured Debt.

Neither Gestamp Automoción nor any of its subsidiaries that are creditors in respect of Intra-Group debt may accept the benefit of any security, guarantee, indemnity or other assurance against loss in respect of intra-Group debt unless such action is permitted under the Senior Secured Debt documents. Neither Gestamp Automoción nor any other subsidiary may make any payment, prepayment, repayment or otherwise acquire or discharge any intra-Group debt if acceleration action has been taken in respect of any of the Senior Secured Debt unless the Instructing Group consent or such action is undertaken to facilitate repayment or prepayment of the Senior Secured Debt.

### **Equity Investor Liabilities**

Pursuant to the Intercreditor Agreement, Corporación Gestamp S.L. and future equity investors party thereto have agreed to subordinate the Equity Investor Liabilities to the Senior Secured Debt. Gestamp Automoción and other debtors may make payments in respect of the Equity Investor Liabilities provided

that such payments are permitted under the terms of the Senior Secured Debt documents and the documents evidencing the Equity Investor Liabilities. No equity investor may accept the benefit of any security, guarantee, indemnity or other assurance against loss in respect of Equity Investor Liabilities prior to the first date on which all of the Senior Secured Debt has been discharged.

### **Turnover**

If any creditor party to the Intercreditor Agreement (including the Agent, Security Agent, Trustee, Senior Secured Creditors, creditors in respect of intra-Group debt and creditors in respect of Equity Investor Liabilities) receives or recovers a payment (whether by way of direct payment, set-off or otherwise) except as permitted pursuant to the terms of the Intercreditor Agreement, such creditor shall hold such payment in trust for the Security Agent and promptly pay over such amounts to the Security Agent for application in accordance with the provision described above under “Enforcement and application of proceeds”.

### **Existing Debt Facilities**

The following is a brief description of our other interest bearing loans and borrowings that are currently in effect (“Existing Debt Facilities”).

#### **Banc of America loan**

On March 21, 2012 we entered into a €60.0 million facility agreement with Banc of America Securities Limited as arranger and as initial lender (“Banc of America loan”). The purpose of the Banc of America loan is financing general corporate purposes. This facility has a scheduled termination date of March 21, 2017. The lenders thereunder may, at their option, terminate this facility early, from March 21, 2015.

#### **EIB loan and ICO loan**

On June 27, 2011, our shareholder, Corporación Gestamp entered into a €108.4 million loan agreement with the European Investment Bank and on November 17, 2011 our shareholder (“EIB loan”), Corporación Gestamp entered into a €44.3 million loan agreement with Instituto de Crédito Oficial (“ICO loan”). Certain of our subsidiaries have given a guarantee in respect of the EIB loan and the ICO loan and we account for this liability as a contingent obligation in our financial statements. Of the total loan proceeds from the EIB loan and the ICO loan, Corporación Gestamp, S.L. passed on €143.0 million to us. As of December 31, 2012, the current balance between Corporación Gestamp, S.L. and us in respect of this amount is €45.0 million. These facilities terminate on July 12, 2018 and November 17, 2018 respectively.

#### **Société Générale Backup Facility**

Under the terms of the back-up facility agreement dated December 1, 2011 between Gestamp Metalbages, S.A. and Société Générale (the “Société Générale Backup Facility”) and the corresponding deed of guarantee dated December 1, 2011 between Gestamp Automoción, S.A. and Société Générale for a maximum amount of €104.0 million, in the event that Tocqueville Capital Company, B.V. receives an amount of less than €104.0 million in the sale of its shares in GMF Holding to a third party, Société Générale has agreed to make available to Gestamp Metalbages, S.A. a term loan facility up to €104.0 million that allows Tocqueville Capital Company, B.V. to receive an aggregate of €104.0 million. The Société Générale Guaranteed Back-up facility Agreement terminates on September 5, 2013.

#### **IKB loans**

The four IKB loans (“IKB loans”) refer to (i) the following two facility agreements, each dated June 29, 2011 and in respect of each of which, on June 30, 2011, Gestamp Automoción, S.A. gave a guarantee, and each of which terminate on June 30, 2021 (a) the €12.5 million loan agreement between, among others, Gestamp Griwe Westerburg GmbH (formerly named: GRIWE Innovative Umformtechnik GmbH) (with Gestamp Griwe Haynrode GmbH (formerly named: GRIWE System Produktions-GmbH) as well as Gestamp Griwe Hot Stamping GmbH (formerly named: GRIWE Werkzeug Produktions GmbH) as co-debtors) and IKB Deutsche Industriebank AG, (b) the €9.2 million loan agreement between, among others, Gestamp Griwe Hot Stamping GmbH (formerly named: GRIWE Werkzeug Produktions GmbH) (and Gestamp Griwe Haynrode GmbH (formerly named: GRIWE System Produktions-GmbH) as well as Gestamp Griwe Westerburg GmbH (formerly named: GRIWE Innovative Umformtechnik GmbH) as co-debtors) and IKB Deutsche Industriebank AG, (ii) the €7.5 million loan agreement between, among others, Gestamp Griwe Hot Stamping GmbH (formerly named: GRIWE Werkzeug Produktions GmbH)

(and Gestamp Griwe Haynrode GmbH (formerly named: GRIWE System Produktions-GmbH) as well as Gestamp Griwe Westerburg GmbH (formerly named: GRIWE Innovative Umformtechnik GmbH) as co-debtors) and IKB Deutsche Industriebank AG, (iii) the up to €25 million loan agreement entered into between, among others, GMF Holding GmbH (and Gestamp Umformtechnik GmbH (formerly named: GMF Umformtechnik GmbH) as co-debtor) and IKB Deutsche Industriebank AG dated on July 16, 2012 maturing on September 30, 2020.

The 2007 loan is secured by amongst other things pledges of certain real estate assets of the borrowers. Under all loans, IKB has certain rights to be granted (additional) security (under certain circumstances) in particular by way of positive pledges (in the case of the 2011 loan) and/or negative pledges (in the case of the 2007 and 2012 loans). In addition, the 2011 loans contain cross default clauses. The three loans of 2012 and 2011 are subject to certain restrictive covenants such as restrictions on payments of dividends above 50% of distributable profits. The loan of 2012 contains furthermore restrictions such as on the sale, pledge or other disposal of shares held by the borrowers in companies held by them. The loan of 2007 contains certain financial covenants (i.e. equity capital rates and debt/equity ratio to be met). All loans contain certain termination rights.

### **Other**

In addition, we have other interest bearing loans and borrowings of €111.3 million maturing between 2014 and 2020 that are currently outstanding.

### **Debt being Repaid**

As part of the offering, we repaid certain of our loans and borrowings. These included long term debt in an aggregate amount of €748.2 million consisting of the following loans: (i) the Syndicated Facility Agreement 2008 granted to Gestamp Automoción on July 30, 2008, by a syndicate of banks with Banco Santander, S.A. and Caixabank, S.A. acting as agent banks; (ii) the Forward Start Facility 2010 granted to Gestamp Automoción on July 27, 2010, by a syndicate of banks with Banco Bilbao Vizcaya, S.A. and Banco Santander, S.A. acting as agent banks; (iii) the Forward Start Facility 2012 granted to Gestamp Automoción on December 20, 2012, by a syndicate of banks with Banco Español de Crédito, S.A. acting as agent bank; (iv) the Thyssen Krupp Metal Forming Acquisition Revolving Facility granted to Gestamp Automoción and GMF Holding on September 15, 2011, by a syndicate of banks with Commerzbank Aktiengesellschaft, Sucursal en España, acting as arranger and Commerzbank Aktiengesellschaft, Luxembourg Branch, acting as agent, (iv) the Barclays Bank PLC Term and Revolving Facilities Agreement granted to Gestamp Tallent Limited and Gestamp Washington UK Limited on July 27, 2012 by Barclays Bank PLC, (v) the facility with the European Bank for Reconstruction and Development entered into on February 7, 2013 with an aggregate principal amount of €150.0 million and (vi) other long term debt. In addition, we repaid other debt including short term debt and borrowings from associated companies in an aggregate amount of €351.2 million. A number of the short-term credit lines that were repaid were not and will not be cancelled and will be available for future working capital and other requirements.

## DESCRIPTION OF THE NOTES

You can find the definitions of certain terms used in this description under the subheading “Certain Definitions.” In this description, the word “Issuer” refers only to Gestamp Funding Luxembourg S.A. and the word “Company” refers only to Gestamp Automoción, S.A. and not to any of its subsidiaries.

The Issuer has issued \$350 million aggregate principal amount of senior secured notes due 2020 denominated in U.S. Dollars (the “Dollar Notes”) and €500 million aggregate principal amount of senior secured notes due 2020 denominated in euro (the “Euro Notes” and, together with the Dollar Notes, the “Notes”) under an Indenture (the “Indenture”) dated the Issue Date among itself, the Company, the Subsidiary Guarantors (as defined below), Deutsche Trustee Company Limited, as the trustee (in such capacity, the “Trustee”), Deutsche Bank AG, London Branch, as Security Agent, Deutsche Bank AG, London Branch, as paying agent, and Deutsche Bank Luxembourg S.A., as transfer agent and registrar, in a private transaction that is not subject to the registration requirements of the Securities Act. The Indenture does not incorporate or include any of the provisions of the U.S. Trust Indenture Act of 1939, as amended. See “Notice to Investors.” The terms of the Notes are subject to the provisions of the Indenture.

The following description is a summary of the material provisions of the Indenture and certain provisions of the Intercreditor Agreement. It does not restate the Indenture or the Intercreditor Agreement in their entirety. We urge you to read the Intercreditor Agreement attached hereto because it, along with the Indenture, and not this description, defines your rights as a holder of the notes. Copies of the Indenture are available upon request as set forth under “Where You Can Find More Information.” Certain defined terms used in this description but not defined below under “—Certain Definitions” have the meanings assigned to them in the Indenture.

The registered holder of a note will be treated as the owner of it for all purposes. Only registered holders will have rights under the Indenture.

Subject to compliance with the covenant described under “—Certain Covenants—Incurrence of Indebtedness and Issuance of Preferred Stock and Disqualified Stock,” the Issuer may also issue an unlimited amount of additional Dollar Notes and or additional Euro Notes at later dates under the Indenture (“Additional Notes”). Any Additional Notes that the Issuer issues in the future will be identical in all respects to the Notes that the Issuer is issuing hereby (including with respect to Note Guarantees), except that notes issued in the future will have different issuance prices and issuance dates. All Notes, including any Additional Notes, will be treated as a single class for all purposes under the Indenture, including (without limitation), with respect to waivers, amendments, redemptions and offers to purchase; provided that Additional Notes will not be issued with the same CUSIP, if any, as existing Notes unless such Additional Notes are fungible with the existing Notes for tax purposes. Unless the context otherwise requires, for all purposes of the Indenture and this “Description of the Notes,” references to the Notes include the Notes offered hereby and any Additional Notes actually issued.

For purposes of any covenant summarized herein, any reference to an amount in “€” shall mean, in respect of any amount in any currency other than euro, the Euro Equivalent thereof.

### **Brief Description of the Notes, the Funding Loan, the Note Guarantees and the Intercreditor Agreement**

On May 10, 2013, the Company entered into two loan agreements in order to finance its worldwide activities (the “Funding Loan”) under which it borrowed the proceeds of the Notes and agreed to repay an amount equal to the principal amount of the Notes issued under the Indenture pursuant to the Funding Loan. The Notes are initially guaranteed by the Company and the Subsidiary Guarantors as of the Issue Date and may, in the future, be guaranteed by further of the Company’s Restricted Subsidiaries (each such guarantee, a “Note Guarantee”). A Note Guarantee given by a Subsidiary Guarantor may be released in certain circumstances described herein.

#### ***The Notes and the Funding Loan***

The Notes:

- are general senior unsecured obligations of the Issuer;
- rank *pari passu* in right of payment with all existing and future unsecured Indebtedness of the Issuer that is not subordinated to the Notes;



- rank senior in right of payment to any and all future obligations of the Issuer that are subordinated to the Notes;
- are structurally subordinated to all Indebtedness, other obligations and claims of holders of preferred stock of the Company's subsidiaries (other than the Issuer) that are not Subsidiary Guarantors;
- are effectively subordinated to all of the Issuer's obligations that are secured by assets of the Issuer to the extent of the value of the assets securing such obligations; and
- are fully and unconditionally guaranteed by the Guarantors, as described under "—The Note Guarantees".

The Issuer's only material asset is the obligation of the Company to make payments on the Funding Loan in respect of the Notes.

The Funding Loan is:

- a general unsecured senior obligation of the Company;
- effectively subordinated to all existing and future secured Indebtedness of the Company to the extent of the value of the assets so secured; and
- effectively subordinated (in an insolvency proceeding) to any non-related third party Indebtedness of the Company except for such Indebtedness that have been set aside as fraudulent by a court.

As of December 31, 2012, after giving pro forma effect to this offering, the entering into of the Senior Facilities Agreement, the Mitsui Investment and the application of the proceeds therefrom, we would have had total Indebtedness, including the Notes, of €1,835.4 million.

The Funding Loan requires the Company to make appropriate payments under the Funding Loan to enable the Issuer to fulfill its obligations under the Indenture. Upon the issuance of any Additional Notes, the proceeds thereof will be loaned to the Company pursuant to an additional loan on substantially the same terms as the Funding Loan.

### **The Note Guarantees**

Each Note Guarantee:

- is a senior secured obligation in the case of the Company and a senior unsecured obligation in the case of each Subsidiary Guarantor;
- ranks *pari passu* in right of payment with all existing and future Indebtedness of that Guarantor that is not subordinated to that Guarantor's Note Guarantee;
- ranks senior in right of payment to any future Indebtedness of that Guarantor that is subordinated in right of payment to that Guarantor's Note Guarantee;
- is effectively subordinated to that Guarantor's existing and future secured indebtedness to the extent of the value of the property or assets securing such indebtedness unless such property or assets also secure the Notes on an equal and ratable or priority basis; and
- is structurally subordinated to all existing and future indebtedness of any of that Guarantor's subsidiaries (other than, in the case of the Company, the Issuer) that do not guarantee the Notes.

As of the Issue Date, all of the Company's Subsidiaries were "Restricted Subsidiaries". However, under the circumstances described below under the subheading "—Certain Covenants—Designation of Restricted and Unrestricted Subsidiaries", the Company will be permitted to designate certain of its Subsidiaries as "Unrestricted Subsidiaries". The Unrestricted Subsidiaries will not be subject to many of the restrictive covenants in the Indenture.

Not all of our Subsidiaries initially guaranteed the Notes. In the event of a bankruptcy, liquidation or reorganization of any non-guarantor Subsidiaries, these Subsidiaries will pay the holders of their debt and their trade creditors before they will be able to distribute any of their assets to the Company. The Company is a holding company dependent upon the cash flow of its operating company subsidiaries in order to satisfy its obligations under its Note Guarantee and the Funding Loan.

The Guarantors consist of the Company, which holds all of our Restricted Subsidiaries, and the Subsidiary Guarantors. The Subsidiary Guarantors, as at the Issue Date, consisted of certain of the Company's

subsidiaries incorporated in Czech Republic, France, Germany, Hungary, Poland, Portugal, Slovakia, Spain, Sweden and the United Kingdom. The Subsidiary Guarantors include both operating companies and various intermediate holding companies. For the year ended December 31, 2012, the Subsidiary Guarantors (excluding Edscha Santander, S.L., Edscha Burgos, S.L., Gestamp Toledo, S.L. and Gestamp Levante, S.L.) represented approximately 44.4% of our total consolidated assets and approximately 49.7% of our consolidated EBITDA. As of December 31, 2012, on a pro forma basis after giving effect to this offering, the entering into of the Senior Facilities Agreement, the Mitsui Investment and the application of the proceeds therefrom, the Company's subsidiaries (other than the Issuer) that have guaranteed the Notes would have had approximately €232.2 million of Indebtedness outstanding.

In addition, pursuant to the covenant entitled “—Additional Note Guarantees”, subject to certain exceptions, any Restricted Subsidiary (i) that after the Issue Date is or becomes a Material Subsidiary (except for Restricted Subsidiaries which are Material Subsidiaries at the Issue Date but not initial Subsidiary Guarantors and Restricted Subsidiaries that are not 90% or more owned by the Company) or (ii) that guarantees certain Indebtedness of other entities, will also be required to become a Guarantor.

The Note Guarantees are joint and several obligations of the Guarantors. The obligations of the Subsidiary Guarantors will be contractually limited under the applicable Note Guarantee to reflect limitations under applicable law with respect to maintenance of share capital, corporate benefit, fraudulent conveyance and other legal restrictions applicable to the Subsidiary Guarantors and their respective shareholders, directors and general partners. For a description of such limitations, see “Risk Factors—Risks related to the notes—The Guarantees are significantly limited by applicable laws and are subject to certain limitations or defenses” and “Risk Factors—Risks related to the notes—The granting of guarantees by Spanish companies is restricted by Spanish law”. See also “Risk Factors—Risks related to the notes—Fraudulent conveyance laws may limit your rights as a holder of notes”.

#### **Release of Note Guarantees**

The Note Guarantee of a Guarantor will be released:

- (1) in the case of a Note Guarantee by a Subsidiary Guarantor only, in connection with any sale or other disposition of all or substantially all of the assets of that Subsidiary Guarantor (including by way of merger, consolidation, amalgamation or combination) to a Person that is not (either before or after giving effect to such transaction) the Company or any Restricted Subsidiary, if the sale or other disposition does not violate the “Asset Sale” provisions of the Indenture, and all obligations of the Guarantor with respect to Indebtedness under the Senior Credit Facilities are also released;
- (2) in the case of a Note Guarantee by a Subsidiary Guarantor only, in connection with any sale of all of the Capital Stock of that Subsidiary Guarantor to a Person that is not (either before or after giving effect to such transaction) the Company or any Restricted Subsidiary, if the sale complies with the “Asset Sale” provisions of the Indenture, and all obligations of the Guarantor with respect to Indebtedness under the Senior Credit Facilities are also released;
- (3) in the case of a Note Guarantee of a Subsidiary Guarantor only, if the Company designates any Restricted Subsidiary that is a Subsidiary Guarantor as an Unrestricted Subsidiary in accordance with the applicable provisions of the Indenture;
- (4) upon legal defeasance or covenant defeasance or discharge of the Notes as described under the captions “Defeasance” and “Satisfaction and Discharge”;
- (5) as described under the caption “Amendment, Supplement and Waiver”;
- (6) in the case of a Note Guarantee granted pursuant to the covenant entitled “—Additional Note Guarantees”, upon the discharge of the Indebtedness or the release and discharge of the guarantee that gave rise to the obligation to guarantee the Notes; or
- (7) in accordance with an enforcement action pursuant to the Intercreditor Agreement.

See “—Certain Covenants—Limitation on Sales of Assets and Equity Interests in Restricted Subsidiaries”.

## Security

### *The Collateral*

Pursuant to the Security Documents, the obligations of the Company and Gestamp Servicios, S.A. (other than in relation to clause (v) below) under their respective Note Guarantees will initially be secured by a first priority lien on the shares of capital stock of (i) Gestamp Metalbages, S.A., (ii) Gestamp Bizcaia, S.A., (iii) Gestamp Vigo, S.A., (iv) Gestamp Palencia, S.A., (v) Gestamp Servicios, S.A. and (vi) Gestamp Toledo, S.L. (in the case of Gestamp Toledo, S.L. only after it has been converted to a *Sociedad Anónima*, and upon such conversion Gestamp Toledo, S.L. shall pledge the shares it owns in Gestamp Servicios, S.A.) (the “*Collateral*”). The Indenture will provide that the Collateral shall be granted by the Company, Gestamp Servicios, S.A. and Gestamp Toledo, S.L. to secure their respective Note Guarantees substantially concurrently with their grant of such Collateral to secure the obligations of the obligors under the Senior Credit Facilities. See “Description of Other Indebtedness—Senior Facilities—Security”.

Subject to certain conditions, including compliance with the covenant described under “—Certain Covenants—Liens”, the Company is permitted to pledge or cause its Subsidiaries to pledge the Collateral in connection with future incurrence of Indebtedness, including issuances of Additional Notes, permitted under the Indenture on a *pari passu* basis with the then outstanding Notes. The Collateral can also be released from the Liens of the Security Documents under certain circumstances. See “—Release of Security Interests” below.

### *Administration of Collateral and Enforcement of Liens*

The Collateral will be administered by a Security Agent pursuant to the terms of the Security Documents and the Intercreditor Agreement for the benefit of all holders of the Notes and the finance parties under the Senior Credit Facilities and creditors under the Designated Existing Indebtedness and certain other future secured creditors pursuant to the Intercreditor Agreement. For a description of the Intercreditor Agreement, see “Description of Other Indebtedness—Intercreditor Agreement”.

The ability of holders of the Notes to realize upon the Collateral will be subject to various bankruptcy law limitations in the event of the Company’s bankruptcy and various limitations on enforcement contained in the Intercreditor Agreement. See “Risk Factors—Risks related to the notes—The enforcement of the Collateral may be restricted by Spanish law”, “Risk Factors—Risks related to the notes—Fraudulent conveyance laws may limit your rights as a holder of notes” and Risk Factors—Risks related to the notes—Local insolvency laws may not be as favorable to you as the insolvency laws of another jurisdiction with which you may be more familiar”.

The rights of the holders of the Notes with respect to the Collateral must be exercised by the Security Agent. Since the holders of the Notes are not a party to the Security Documents, holders may not, individually or collectively, take any direct action to enforce any rights in their favor under the Security Documents. The holders may only act through the Security Agent. The Security Agent will agree to any release of the security interest created by the Security Documents in accordance with terms of the Indenture and the Intercreditor Agreement without requiring any consent of the holders of the Notes. Subject to the terms of the Intercreditor Agreement, the holders of the Notes will, in certain circumstances, share in or have the ability to direct the Trustee to direct the Security Agent to commence enforcement action under the Security Documents. However, in enforcing the Liens provided for under the Security Documents, the Security Agent will take direction from the Trustee (subject to the terms of the Intercreditor Agreement). Please see “Description of Other Indebtedness—Intercreditor Agreement”.

Subject to the terms of the Security Documents, until the acceleration of amounts due under the Notes in accordance with the Indenture, the Company and other pledgors will be entitled to exercise any and all voting rights in a manner which does not materially adversely affect the validity or enforceability of the Liens created under the Security Documents or the value of the Collateral and to receive and retain any and all cash dividends, stock dividends, liquidating dividends, non-cash dividends, shares of stock resulting from stock splits or reclassifications, rights issue, warrants, options and other distribution (whether similar or dissimilar to the foregoing) in respect of the shares that are part of the Collateral.

The value of the Collateral securing the Note and the Company’s Note Guarantee may not be sufficient to satisfy the Issuer’s and the Company’s obligations under the Notes and the Note Guarantees, and the Collateral may be reduced or diluted under certain circumstances, including the issuance of Additional Notes or other future incurrences of Indebtedness and the disposition of assets comprising the Collateral, subject to the terms of the Indenture.

No appraisals of the Collateral have been prepared by or on behalf of the Issuer or the Guarantors in connection with this offering of the Notes. There can be no assurance that the proceeds of any sale of Collateral, in whole or in part, pursuant to the Intercreditor Agreement and the Security Documents following an Event of Default, would be sufficient to satisfy the amounts due on the Notes or the Note Guarantees. By its nature, all of the Collateral is likely to be illiquid and may have no readily ascertainable market value. Accordingly, there can be no assurance that the Collateral would be sold in a timely manner or at all.

The Security Documents will be governed by Spanish law and will be subject to the jurisdiction of the Spanish courts.

#### ***Release of Security Interests***

All of the Liens granted under the Security Documents will be automatically and unconditionally released in accordance with the terms and conditions in the Indenture upon Legal Defeasance or Covenant Defeasance as described under “—Legal Defeasance and Covenant Defeasance”, if all obligations under the Indenture are discharged in accordance with the terms of the Indenture or as otherwise permitted in accordance with the Indenture, including but not limited to the covenants under “—Certain Covenants—Impairment of Security Interest”, the Security Documents and the Intercreditor Agreement.

The Liens on the Collateral granted in the Security Documents will be released:

- (1) in connection with any sale or other disposition of Collateral, if the sale or other disposition does not violate the Indenture, and all liens on the Collateral securing Indebtedness under the Senior Credit Facilities are also released;
- (2) to the extent that such Collateral is sold or otherwise disposed of pursuant to an enforcement of the security over such Collateral under the applicable Security Document(s) in accordance with the Intercreditor Agreement;
- (3) as described under “—Amendment, Supplement and Waiver”; or
- (4) in connection with a transaction permitted by the covenant described under “—Certain Covenants—Merger, Consolidation or Sale of Assets”.

The Security Agent will take all reasonable action required to effectuate any release of Collateral securing the Notes and the Note Guarantees (if applicable), in accordance with the provisions of the Indenture and the Intercreditor Agreement and the relevant Security Document. Each of the releases set forth above shall be effected by the Security Agent without the consent of the holders or any action on the part of the Trustee (unless action is required by it to effect such release).

#### ***Intercreditor Agreement***

On or before the Issue Date, the Trustee shall enter into an Intercreditor Agreement with, among others, the facility agent under the Senior Credit Facilities, creditors of the Designated Existing Indebtedness, the Company, various subsidiaries of the Company, and the Security Agent, as described under “Description of Other Indebtedness—Intercreditor Agreement” and attached hereto as Annex B. The Security Documents and the Collateral will be administered by the Security Agent pursuant to the Intercreditor Agreement for the benefit of the Trustee and the holders of the Notes, the creditors under the Senior Credit Facilities, the Designated Existing Indebtedness and certain future Indebtedness of the Company and its Subsidiaries permitted to be incurred and secured pursuant to the Indenture and the Intercreditor Agreement. Pursuant to the terms of the Intercreditor Agreement, recoveries received upon enforcement over Collateral will be applied (subject to certain claims of the Trustee, the Security Agent, the Facility Agent under the Senior Credit Facilities and costs and expenses related to the enforcement of the Collateral) *pro rata* in repayment of liabilities in respect of (i) obligations under the Indenture, the Notes and the Note Guarantees, (ii) obligations under the Senior Credit Facilities, (iii) obligations under the Designated Existing Indebtedness and (iv) any other Indebtedness of the Company and the Restricted Subsidiaries permitted to be incurred and secured by the Collateral pursuant to the Indenture and the Intercreditor Agreement.

The Trustee and the creditors under the Senior Credit Facilities and the Designated Existing Indebtedness and the other secured parties under the Intercreditor Agreement have, and by accepting a Note, each holder of a Note will be deemed to have, irrevocably appointed Deutsche Bank AG, London Branch as Security Agent to act as its security agent under the Intercreditor Agreement, the Notes, the Indenture,

including the Note Guarantees, and the Security Documents (together, the “*Finance Documents*”). The Trustee and the creditors under the Senior Credit Facilities and the Designated Existing Indebtedness and the other secured parties under the Intercreditor Agreement will have, and by accepting a Note, each holder of a Note will be deemed to have, irrevocably authorized the Security Agent to perform the duties and exercise the rights, powers and discretions that are specifically given to it under the Intercreditor Agreement or other Finance Documents, together with any incidental rights, power and discretions.

### **Principal, Maturity and Interest and Payment of Notes**

The Issuer has issued Dollar Notes in minimum denominations of \$200,000 and integral multiples of \$1,000 in excess thereof. The Issuer has issued Euro Notes in minimum denominations of €100,000 and integral multiples of €1,000 in excess thereof. For so long as the Notes are listed on the Official List of the Luxembourg Stock Exchange and traded on the Euro MTF Market, the Issuer will publish a notice of any change in these denominations in accordance with the requirements of such rules. The Notes will mature on May 31, 2020.

Interest on the Dollar Notes will accrue at the rate of 5.625% per annum and will be payable semi-annually in arrears on May 31 and November 30, commencing on November 30, 2013. Interest on the Euro Notes will accrue at the rate of 5.875% per annum and will be payable semi-annually in arrears on May 31 and November 30, commencing on November 30, 2013. The Issuer will make each interest payment to the holders of record on the Business Day immediately preceding the relevant interest payment date. The reimbursement price of the Notes at maturity will be 100% of the principal amount then outstanding.

Interest on the Notes will accrue from the date of original issuance or, if interest has already been paid, from the date it was most recently paid. Interest will be computed on the basis of a 360-day year comprised of twelve 30-day months.

### **Methods of Receiving Payments on the Notes**

The Issuer will pay all principal, interest, premium, and Additional Amounts, if any, on the Global Notes (as defined below) at the corporate trust office or agency of the Paying Agent (as defined below). All payments on the Global Notes will be made by wire transfer of immediately available funds to an account of the holder of the Global Notes in accordance with instructions given by the holder.

Payments of principal of, and premium, if any, on each Note in definitive registered form (“*Definitive Registered Notes*”) will be made by transfer on the due date to an account maintained by the payee pursuant to details provided by the holder or, if requested by the holder, by check, in each case against presentation and surrender (or, in the case of partial payment only, endorsement) of the relevant Definitive Registered Note at the office of any Paying Agent. Payments of interest in respect of each Definitive Registered Note will be made by transfer on the due date to an account maintained by the payee (the holder and account details of which appear on the register of holders at the close of business on the relevant record date) or, if requested by the holder, by check mailed on the relevant due date (or if that is not a business day, the immediately succeeding business day) to the holder (or to the first named of joint holders) of the Definitive Registered Note appearing on the register of holders at the close of business at the address shown on the register of holders on such record date. Payments in respect of principal of, premium, if any, and interest on Definitive Registered Notes are subject in all cases to any tax or other laws and regulations applicable in the place of payment but without prejudice to the provisions under the headings “—Optional Tax Redemption” and “—Additional Amounts”. The Paying Agent may require payment of a sum sufficient to cover any transfer tax or similar governmental charge in connection with any payment transfer instructions received by the Paying Agent. Definitive Registered Notes, if issued, will only be issued in registered form.

### **Paying Agent and Registrar for the Notes**

The Issuer will make all payments, including principal of, premium, if any, and interest on the Dollar Notes, through an agent in the Borough of Manhattan, City of New York that it will maintain for these purposes. Initially that agent will be Deutsche Bank Trust Companies Americas. The Issuer will maintain one or more paying agents (each, a “*Paying Agent*”) for the Euro Notes in the City of London, United Kingdom. The initial Paying Agent is Deutsche Bank AG, London Branch. The initial Transfer Agent is Deutsche Bank Luxembourg, S.A. The Transfer Agent is responsible for, among other things, facilitating any transfers or exchanges of beneficial interests in different global notes between holders.



In addition, the Issuer undertakes that it will ensure that it maintains a Paying Agent in a Member State of the European Union that is not obliged to withhold or deduct tax pursuant to European Council Directive 2003/48/EC or any other Directive implementing the conclusions of the European Council of Economics and Finance Ministers (“*ECOFIN*”) meeting of November 26-27, 2000 or any law implementing or complying with, or introduced in order to conform to, such Directive.

The Issuer also will maintain one or more registrars (each a “*Registrar*”) with offices in Luxembourg for so long as the Notes are listed on the Official List of the Luxembourg Stock Exchange and traded on the Euro MTF Market and the Rules and Regulations of the Luxembourg Stock Exchange so require. The initial Registrar will be Deutsche Bank Luxembourg S.A. The Registrar will maintain a register reflecting ownership of Definitive Registered Notes outstanding from time to time and will make payments on Definitive Registered Notes on behalf of the Issuer.

The Issuer may change the Paying Agents, the Transfer Agents or the Registrars without prior notice to the holders. For so long as the Notes are listed on the Official List of the Luxembourg Stock Exchange and traded on the Euro MTF Market, the Issuer will publish a notice of any change of Paying Agent, Transfer Agent or Registrar in accordance with the requirements of the Rules and Regulations of the Luxembourg Stock Exchange.

### **Form of Notes**

The Dollar Notes will be issued in the form of global notes in registered form and will be issued in minimum denominations of \$200,000 principal amount and integral multiples of \$1,000. The Euro Notes will be issued in the form of global notes in registered form and will be issued in minimum denominations of €100,000 principal amount and integral multiples of €1,000. The Notes will be serially numbered. In no event will Definitive Registered Notes in bearer form be issued. See “Book-Entry, Delivery and Form”.

### **Additional Amounts**

All payments made by the Issuer or any Guarantor (each a “*Payor*”) on the Notes or under or with respect to any Note Guarantee will be made without withholding or deduction for, or on account of, any present or future taxes, duties, levies, imposts, assessments or similar governmental charges (including penalties, additions to tax, and interest related thereto) (“*Taxes*”) unless the withholding or deduction of such Taxes is then required by law. If any deduction or withholding for, or on account of, any Taxes imposed or levied by or on behalf of:

- (1) Luxembourg, Spain or any political subdivision or governmental authority of any thereof or therein having power to tax;
- (2) any jurisdiction from or through which payment on the Notes or a Note Guarantee is made, or any political subdivision or governmental authority thereof or therein having the power to tax; or
- (3) any other jurisdiction in which a Payor is incorporated or organized or otherwise resident or doing business for tax purposes, or any political subdivision or governmental authority thereof or therein having the power to tax (each of clause (1), (2) and (3), a “*Relevant Taxing Jurisdiction*”),

will at any time be required from any payments made with respect to the Notes or any Note Guarantee, including payments of principal, redemption price, interest or premium (if any), the Payor will pay (together with such payments) such additional amounts (the “*Additional Amounts*”) as may be necessary in order that the net amounts received in respect of such payments by each beneficial owner of the Notes or the Note Guarantee, as the case may be, after such withholding or deduction by any applicable withholding agent (including any such deduction or withholding from such Additional Amounts), equal the amounts which would have been received in respect of such payments in the absence of such withholding or deduction; *provided, however*, that no such Additional Amounts will be payable with respect to:

- (1) any Taxes that would not have been so imposed but for the existence of any present or former connection between the relevant holder or the beneficial owner of a Note (or between a fiduciary, settlor, beneficiary, member or shareholder of, or possessor of power over the relevant holder or beneficial owner, if the relevant holder or beneficial owner is an estate, nominee, trust, partnership, limited liability company or corporation) and the Relevant Taxing Jurisdiction, (including any Tax imposed as a result of a holder or beneficial owner being a citizen or resident or national or domiciliary of, or carrying on a business or maintaining a permanent establishment in, the Relevant Taxing Jurisdiction (such as, for the avoidance of doubt, any net income Tax

imposed under the Personal Income Tax, the Corporate Income Tax or the Non-resident Income Tax by Spain as a result of such holder or beneficial owner being resident or doing business in Spain)), other than a connection resulting from the mere acquisition, ownership or disposition of such Note or enforcement of rights under or in respect of such Note or any Note Guarantee or the receipt of payments under or in respect of such Note or any Note Guarantee;

- (2) any Taxes that would not have been so imposed if the holder or the beneficial owner of a Note had made a declaration of non-residence or any other claim or filing for exemption to which it is entitled (*provided* that (x) such declaration of non-residence or other claim or filing for exemption is required by applicable law, regulation, administrative practice or treaty of the Relevant Taxing Jurisdiction as a precondition to exemption from the requirement to deduct or withhold all or a part of such Taxes and (y) at least 30 days prior to the first payment date with respect to which such declaration of non-residence or other claim or filing for exemption is required under the applicable law of the Relevant Taxing Jurisdiction, the relevant holder at that time has been notified (in accordance with the procedures set forth in “—Selection and Notice”) by the Payor or any other Person through whom payment may be made that a declaration of non-residence or other claim or filing for exemption is required to be made), but, in each case, only to the extent the holder or beneficial owner is legally eligible to make such declaration or other claim or filing;
- (3) any Note presented for payment (where presentation is required) more than 30 days after the relevant payment is first made available for payment to the holder (except to the extent that the holder would have been entitled to Additional Amounts had the Note been presented during such 30-day period);
- (4) any Taxes that are payable otherwise than by withholding in respect of a payment of the principal of, premium, if any, interest or any other amounts under or with respect to the Notes or any Note Guarantee;
- (5) any estate, inheritance, gift, sale, transfer, property or similar Taxes;
- (6) any withholding or deduction imposed in respect of a payment to a holder or beneficial owner and required to be made pursuant to the European Union Directive on the taxation of savings income (the “*Directive*”) which was adopted by the ECOFIN Council of the European Union (the Council of EU finance and economic ministers) on June 3, 2003 or any other Directive implementing the conclusions of the ECOFIN meeting of November 26-27, 2000, or any law implementing or complying with, or introduced in order to conform to, the Directive;
- (7) any Taxes which could have been avoided by the presentation (where presentation is required) of the relevant Note to another Paying Agent in a member state of the European Union; or
- (8) any combination of (1) through (7) above.

In addition, no Additional Amounts shall be paid with respect to any payment to any holder who is a fiduciary or a partnership or other than the beneficial owner of such Notes to the extent that the beneficiary or settlor with respect to such fiduciary, the member of such partnership or the beneficial owner of such Notes would not have been entitled to Additional Amounts had such beneficiary, settlor, member or beneficial owner held such Notes directly, but only if there is no material cost or commercial or legal restriction to transferring the Notes to such beneficiary, settlor, member or beneficial owner.

The applicable withholding agent will (i) make any required withholding or deduction and (ii) remit the full amount deducted or withheld to the Relevant Taxing Jurisdiction in accordance with applicable law. The Payor will use all reasonable efforts to obtain certified copies of tax receipts evidencing the payment of any Taxes so deducted or withheld from each Relevant Taxing Jurisdiction imposing such Taxes and will provide such certified copies to the Trustee (or a holder upon request). If certified copies of such tax receipts are not obtainable, the relevant Payor shall provide the Trustee (or a holder upon written request) other evidence of payment reasonably satisfactory to the Trustee (or such holder). The Payor will attach to each certified copy a certificate stating (x) that the amount of withholding Taxes evidenced by the certified copy was paid in connection with payments in respect of the principal amount of Notes then outstanding and (y) the amount of such withholding Taxes paid per €1,000 or \$1,000, as applicable, principal amount of the Notes. Copies of such documentation will be available for inspection during ordinary business hours at the office of the Trustee by the holders of the Notes upon request and will be made available at the offices

of the Paying Agent located in Luxembourg if the Notes are then listed on the Official List of the Luxembourg Stock Exchange and traded on the Euro MTF Market.

At least 30 days prior to each date on which any payment under or with respect to the Notes or any Note Guarantee is due and payable (unless such obligation to pay Additional Amounts arises shortly before or after the 30th day prior to such date, in which case it shall be promptly thereafter), if the Payor will be obligated to pay Additional Amounts with respect to such payment, the Payor will deliver to the Trustee an Officers' Certificate stating the fact that such Additional Amounts will be payable, the amounts so payable and will set forth such other information necessary to enable the Trustee to pay such Additional Amounts to holders on the payment date. Each such Officers' Certificate shall be relied upon until receipt of a further Officers' Certificate addressing such matters.

Wherever in the Indenture, the Notes, any Note Guarantee or this "Description of the Notes" there are mentioned, in any context:

- (1) the payment of principal,
- (2) purchase prices in connection with a purchase of Notes,
- (3) interest, or
- (4) any other amount payable on or with respect to the Notes or any Note Guarantee,

such reference shall be deemed to include payment of Additional Amounts as described under this heading to the extent that, in such context, Additional Amounts are, were or would be payable in respect thereof.

The Payor will pay any present or future stamp, issue, registration, court or documentary Taxes, or any other excise, property or similar Taxes which arise in any Relevant Taxing Jurisdiction from the execution, issuance, delivery, registration or enforcement of any Notes, the Indenture, any Note Guarantee or any other document or instrument referred to therein, or any payments under or with respect to the Notes or any Note Guarantee.

The foregoing obligations will survive any termination, defeasance or discharge of the Indenture and will apply *mutatis mutandis* to any successor to a Payor and to any jurisdiction in which such successor is incorporated, organized, doing business or otherwise considered to be a resident for tax purposes, or any jurisdiction from or through which such successor (or its paying agent) makes any payment under or with respect to the Notes or any Note Guarantee and, in each case, any political subdivision or governmental authority thereof or therein having the power to tax.

### **Optional Redemption**

At any time prior to May 31, 2016, at the option of the Issuer or the Company, the Issuer may, upon giving not less than 30 nor more than 60 days' notice to the holders of the Notes (which notice will be irrevocable), on any one or more occasions redeem up to 35% of the aggregate principal amount of Dollar Notes issued under the Indenture at a redemption price of 105.625% of the principal amount and up to 35% of the aggregate principal amount of Euro Notes issued under the Indenture at a redemption price of 105.875% of the principal amount, plus accrued and unpaid interest, if any, to the redemption date, with the Net Cash Proceeds of one or more Equity Offerings; *provided* that:

- (1) at least 65% of the aggregate principal amount of Dollar Notes and 65% of the aggregate principal amount of Euro Notes issued under the Indenture remain outstanding immediately after the occurrence of such redemption (excluding Notes held by the Issuer or the Company and its Subsidiaries); and
- (2) the redemption occurs within 90 days of the date of the closing of such Equity Offering.

After May 31, 2016, at the option of the Issuer or the Company, the Issuer may redeem all or a part of the Dollar Notes upon not less than 30 nor more than 60 days' notice, at the redemption prices (expressed as percentages of principal amount) set forth below plus accrued and unpaid interest, if any, on the Dollar

Notes redeemed, to the applicable redemption date, if redeemed during the twelve month period beginning on May 31 of the years indicated below:

<u>Year</u>	<u>Percentage</u>
2016 .....	102.813%
2017 .....	101.406%
2018 and thereafter .....	100.000%

After May 31, 2016, at the option of the Issuer or the Company, the Issuer may redeem all or a part of the Euro Notes upon not less than 30 nor more than 60 days' notice, at the redemption prices (expressed as percentages of principal amount) set forth below plus accrued and unpaid interest, if any, on the Euro Notes redeemed, to the applicable redemption date, if redeemed during the twelve month period beginning on May 31 of the years indicated below:

<u>Year</u>	<u>Percentage</u>
2016 .....	102.938%
2017 .....	101.469%
2018 and thereafter .....	100.000%

In addition, the Issuer may on or prior to May 31, 2016, upon giving not less than 30 nor more than 60 days' notice to the holders of the Notes (which notice will be irrevocable), at its option on one or more occasions redeem all or a portion of the Notes (which includes Additional Notes, if any) at a redemption price equal to the sum of:

- (1) 100% of the principal amount thereof, plus
- (2) accrued and unpaid interest, if any, to the redemption date, plus
- (3) the Applicable Premium at the redemption date, subject to the right of holders of record on the relevant record date to receive interest due on any interest payment date occurring on or prior to the redemption date.

#### **Mandatory Redemption**

Neither the Issuer nor the Company is required to make mandatory redemption or sinking fund payments with respect to the Notes.

#### **Optional Tax Redemption**

The Issuer may redeem the Notes in whole, but not in part, at any time upon giving not less than 30 nor more than 60 days' notice to the holders of the Notes (which notice will be irrevocable) at a redemption price equal to 100% of the principal amount thereof, together with accrued and unpaid interest, if any, to the date fixed for redemption (a "*Tax Redemption Date*") (subject to the right of holders of record on the relevant record date to receive interest due on the relevant interest payment date) and Additional Amounts, if any, then due and which will become due on the Tax Redemption Date as a result of the redemption or otherwise, if the Issuer determines that, as a result of:

- (1) any change in, or amendment to, the law or treaties (or any regulations or rulings promulgated thereunder) of a Relevant Taxing Jurisdiction (as defined above) which change or amendment is publicly announced and becomes effective after the Issue Date (or, if a Relevant Taxing Jurisdiction became a Relevant Taxing Jurisdiction on a date after the Issue Date, after such later date);
- (2) any change in position regarding the application, administration or interpretation of such laws, treaties, regulations or rulings (including by virtue of a holding, judgment or order by a court of competent jurisdiction or a change in published administrative practice) of a Relevant Taxing Jurisdiction, which change or amendment is publicly announced and becomes effective after the Issue Date (or, if a Relevant Taxing Jurisdiction became a Relevant Taxing Jurisdiction on a date after the Issue Date, after such later date); (each of the foregoing in clauses (1) and (2), a "*Change in Tax Law*"); or
- (3) a determination by the Spanish tax authorities ("*acta de inspección*" in Spanish terminology) after the date hereof that interest payments by the Issuer are subject to Spanish withholding Tax as a

result of the Issuer being a resident of Spain or having a permanent establishment in Spain to which the Notes are connected,

the Issuer is, or on the next interest payment date in respect of the Notes would be, required to pay any Additional Amounts, and such obligation cannot be avoided by taking reasonable measures available to it (including, for the avoidance of doubt, the appointment of a new Paying Agent in accordance with the second paragraph under “Paying Agent and Registrar for the Notes” or payment through a Guarantor).

Notice of redemption for taxation reasons will be published in accordance with the procedures described under “—Selection and Notice”. Notwithstanding the foregoing, no such notice of redemption will be given (a) earlier than 90 days prior to the earliest date on which the Issuer would be obliged to pay Additional Amounts and (b) unless at the time such notice is given, such obligation to pay such Additional Amounts remains in effect. Prior to the publication or mailing of any notice of redemption of the Notes pursuant to the foregoing, the Issuer will deliver to the Trustee (a) an Officers’ Certificate stating that the Issuer is entitled to effect such redemption and setting forth a statement of facts showing that the conditions precedent to its right so to redeem have been satisfied and (b) an opinion of an independent tax counsel of recognized standing to the Trustee to the effect that the circumstances referred to above exist. The Trustee will accept such Officer’s Certificate and opinion as sufficient evidence of the satisfaction of the conditions precedent described above, without further inquiry, in which event it will be conclusive and binding on the holders.

The foregoing provisions will apply *mutatis mutandis* to any successor to the Issuer.

### **Repurchase at the Option of Holders**

#### ***Change of Control***

If a Change of Control occurs, each holder of Notes will have the right to require the Issuer to repurchase all or any part (equal to \$200,000 or integral multiples of \$1,000 in excess thereof, in the case of the Dollar Notes and equal to €100,000 or integral multiples of €1,000 in excess thereof in the case of the Euro Notes) of that holder’s Notes pursuant to a Change of Control Offer on the terms set forth in the Indenture. In the Change of Control Offer, the Issuer will offer a Change of Control Payment in cash equal to 101% of the aggregate principal amount of Notes repurchased plus accrued and unpaid interest, if any, on the Notes repurchased, to the date of purchase. Within 30 days following any Change of Control, the Issuer will mail a notice to each holder describing the transaction or transactions that constitute the Change of Control and offering to repurchase Notes on the Change of Control Payment Date specified in the notice, which date will be no earlier than 30 days and no later than 60 days from the date such notice is mailed, pursuant to the procedures required by the Indenture and described in such notice. The Issuer and the Company will comply with the requirements of Rule 14e-1 under the Exchange Act and any other securities laws and regulations thereunder to the extent those laws and regulations are applicable in connection with the repurchase of the Notes and the related Note Guarantees as a result of a Change of Control. To the extent that the provisions of any securities laws or regulations conflict with the Change of Control provisions of the Indenture, the Issuer and the Company will comply with the applicable securities laws and regulations and will not be deemed to have breached its obligations under the Change of Control provisions of the Indenture by virtue of such compliance.

On or prior to the Change of Control Payment Date, the Company will prepay the Funding Loan to the extent necessary to finance the repurchase by the Issuer of the Notes tendered pursuant to the Change of Control Offer.

On the Change of Control Payment Date, the Issuer will, to the extent lawful:

- (1) accept for payment all Notes or portions of Notes properly tendered pursuant to the Change of Control Offer;
- (2) deposit with the relevant Paying Agent an amount equal to the Change of Control Payment in respect of all Notes or portions of Notes properly tendered; and
- (3) deliver or cause to be delivered to the Trustee the Notes properly accepted together with an officers’ certificate stating the aggregate principal amount of Notes or portions of Notes being purchased by the Issuer.

The relevant Paying Agent will promptly mail to each holder of Notes properly tendered the Change of Control Payment for such Notes, and the Trustee will promptly authenticate and mail (or cause to be



transferred by book entry) to each holder a new Note equal in principal amount to any unpurchased portion of the Notes surrendered, if any; *provided* that each new Dollar Note will be in a principal amount of \$200,000 or, if greater, an integral multiple of \$1,000 and each new Euro Note will be in a principal amount of €100,000 or, if greater, an integral multiple of €1,000.

The provisions described above that require the Issuer to make a Change of Control Offer following a Change of Control will be applicable whether or not any other provisions of the Indenture are applicable. Except as described above with respect to a Change of Control, the Indenture does not contain provisions that permit the holders of the Notes to require the Issuer to repurchase or redeem the Notes in the event of a takeover, recapitalization or similar transaction.

The Issuer will not be required to make a Change of Control Offer upon a Change of Control if a third party makes the Change of Control Offer in the manner, at the times and otherwise in compliance with the requirements set forth in the Indenture applicable to a Change of Control Offer made by the Issuer and purchases all Notes properly tendered and not withdrawn under the Change of Control Offer. The Issuer also will not be required to make a Change of Control Offer following a Change of Control if it has theretofore issued a redemption notice in respect of all of the Notes in the manner and in accordance with the provisions described under “—Optional Redemption” and thereafter purchases all of the Notes pursuant to such notice.

The definition of Change of Control includes a phrase relating to the direct or indirect sale, lease, transfer, conveyance or other disposition of “all or substantially all” of the properties or assets of the Company and its Restricted Subsidiaries taken as a whole. Although there is a limited body of case law interpreting the phrase “substantially all”, there is no precise established definition of the phrase under applicable law. Accordingly, the ability of a holder of Notes to require the Issuer to repurchase its Notes as a result of a sale, lease, transfer, conveyance or other disposition of less than all of the assets of the Company and its Restricted Subsidiaries taken as a whole to another Person or group may be uncertain. In addition, it should be noted that recent case law suggests that, in the event that incumbent directors are replaced as a result of a contested election, issuers may nevertheless avoid triggering a change of control under a clause similar to clause (4) of the definition of “Change of Control”, if the outgoing directors were to approve the new directors for the purpose of such change of control clause. As a result, it may be unclear as to whether a Change of Control has occurred and whether a holder of Notes may require the Issuer to make an offer to repurchase the Notes as described above.

Subject to the covenants described below, the Company could enter into certain transactions, including acquisitions, refinancings or other recapitalizations which, though not constituting a Change of Control under the Indenture, could increase the amount of outstanding debt or otherwise affect the Company’s capital structure or credit ratings. In addition, we may not be able to finance the payments required for a Change of Control Offer. See “Risk Factors—Risks related to the notes—We may not have the ability to raise the funds necessary to finance a change of control offer”.

#### **Selection and Notice**

If less than all of the Notes are to be redeemed at any time, the Trustee will select Notes for redemption as follows:

- (1) if the Notes are listed on any national securities exchange, in compliance with the requirements, if any, of the principal national securities exchange on which the Notes are listed as certificated to the Trustee by the Issuer; or
- (2) if the Notes are not listed on any national securities exchange, then in relation to the Dollar Notes, by lot and in relation to the Euro Notes, on a *pro rata* basis, or by such method as the Trustee deems fair and appropriate.

No Notes may be redeemed in part such that the remainder of the Note is less than \$200,000 in aggregate principal amount in the case of Dollar Notes and less than €100,000 in aggregate principal amount in the case of Euro Notes. Notices of redemption will be mailed by first class mail at least 30 but not more than 60 days before the redemption date to each holder of Notes to be redeemed at its registered address, except that redemption notices may be mailed more than 60 days prior to a redemption date if the notice is issued in connection with a defeasance of the Notes or a satisfaction and discharge of the Indenture. Notices of redemption may not be conditional.

In addition, so long as the Notes are listed on the Official List of the Luxembourg Stock Exchange and traded on the Euro MTF Market and the Rules and Regulations of the Luxembourg Stock Exchange so require, all notices to holders of the Notes will also be supplied to the Luxembourg Stock Exchange and are expected to be published at *www.bourse.lu*. If publication as provided above is not practicable, notice will be given in such other manner, and shall be deemed to have been given on such date, as the Trustee may approve. In the case of Definitive Registered Notes, notices will be mailed to holders of the Notes by first class mail at their respective addresses as they appear on the records of the Registrar. If and so long as the Notes are listed on any other securities exchange, notices will also be given in accordance with any applicable requirements of such securities exchange. Notices given by publication will be deemed given on the first date on which publication is made. Notices given by first class mail, postage paid, will be deemed given five calendar days after mailing whether or not the addressee receives it.

If any Note is to be redeemed in part only, the notice of redemption that relates to that Note will state the portion of the principal amount of that Note that is to be redeemed. A new Note in principal amount equal to the unredeemed portion of the original Note will be issued in the name of the holder of Notes upon cancellation of the original Note and will be collectible at the office of the Paying Agent. Notes called for redemption become due on the date fixed for redemption. On and after the redemption date, interest ceases to accrue on Notes or portions of them called for redemption.

### **Prescription**

Claims against the Issuer, the Company or any Guarantor for the payment of principal of, or interest, premium, or Additional Amounts, if any, on the Notes will become void unless presentation for payment is made as required in the Indenture within a period of seven years, in the case of principal, or five years, in the case of interest, premium or Additional Amounts, if any, from the applicable original payment date therefor.

### **Certain Covenants**

#### ***Restricted Payments***

The Company will not, and will not permit any of its Restricted Subsidiaries to, directly or indirectly:

- (1) declare or pay any dividend or make any other payment or distribution on account of the Company's or any of its Restricted Subsidiaries' Equity Interests (including, without limitation, any payment in connection with any merger or consolidation involving the Company or any of its Restricted Subsidiaries) or to the direct or indirect holders of the Company's or any of its Restricted Subsidiaries' Equity Interests in their capacity as such (other than (A) dividends or distributions payable in Equity Interests (other than Disqualified Stock) of the Company or Subordinated Shareholder Debt, (B) dividends or distributions to the Company or any of its Restricted Subsidiaries and (C) *pro rata* dividends or distributions made by a Subsidiary that is not a Wholly Owned Subsidiary to minority stockholders (or owners of any equivalent interest in the case of a Subsidiary that is an entity other than a corporation));
- (2) purchase, redeem or otherwise acquire or retire for value (including, without limitation, in connection with any merger or consolidation involving the Company) any Equity Interests of the Company or any Parent Company;
- (3) make any payment on or with respect to, or purchase, redeem, defease or otherwise acquire or retire for value (x) any Indebtedness that is subordinated in right of payment to the Notes, the Note Guarantees, or the Funding Loan except a payment of interest or principal at the Stated Maturity thereof or (y) any Subordinated Shareholder Debt; or
- (4) make any Restricted Investment (all such payments and other actions set forth in these clauses (1) through (4) being collectively referred to as "*Restricted Payments*"),

unless, at the time of and after giving effect to such Restricted Payment:

- (1) no Default or Event of Default has occurred and is continuing or would occur as a consequence of such Restricted Payment; and
- (2) the Company would, after giving pro forma effect to such Restricted Payment (including the application thereof) as if such Restricted Payment had been made at the beginning of the applicable four-quarter period, have been permitted to incur at least €1.00 of additional

Indebtedness (other than Permitted Debt) pursuant to the Fixed Charge Coverage Ratio test set forth in the first paragraph of the covenant described below under the caption “—Certain Covenants—Incurrence of Indebtedness and Issuance of Preferred Stock and Disqualified Stock”; and

- (3) such Restricted Payment, together with the aggregate amount of all other Restricted Payments made by the Company and its Restricted Subsidiaries after the Issue Date (excluding Restricted Payments permitted by clauses (2), (3), (4), (5), (6), (10), (11) and (12) of the next succeeding paragraph), is less than the sum, without duplication, of:
- (a) 50% of the Consolidated Net Income of the Company for the period (taken as one accounting period) from the first day of the first full fiscal quarter immediately prior to the Issue Date to the end of the Company’s most recently ended fiscal quarter for which internal financial statements are available at the time of such Restricted Payment (or, if such aggregate Consolidated Net Income for such period is a deficit, less 100% of such deficit), *plus*
  - (b) 100% of the aggregate net cash proceeds and Fair Market Value of property, assets or marketable securities received by the Company since the Issue Date as a contribution to its common equity capital or from the issue or sale of Equity Interests of the Company (other than Disqualified Stock or Excluded Contributions) or from the issue or sale of convertible or exchangeable Disqualified Stock or convertible or exchangeable debt securities of the Company that have been converted into or exchanged for such Equity Interests (other than Equity Interests (or Disqualified Stock or debt securities) sold to a Subsidiary of the Company or from Subordinated Shareholder Debt or Excluded Contributions), *plus*
  - (c) 100% of any dividends or distributions (including payments made in respect of loans or advances) received by the Company or a Restricted Subsidiary of the Company after the Issue Date from an Unrestricted Subsidiary of the Company or a Permitted Joint Venture, to the extent that such dividends or distributions were not otherwise included in Consolidated Net Income of the Company for such period (and *provided* that such dividends or distributions are not included in the calculation of that amount of Permitted Investments permitted under clause (12) of the definition thereof), *plus*
  - (d) to the extent that any Unrestricted Subsidiary of the Company is redesignated as a Restricted Subsidiary after the Issue Date, the Fair Market Value of the Company’s Investment in such Subsidiary as of the date of such redesignation, *plus*
  - (e) to the extent that any Restricted Investment that was made after the Issue Date is sold for cash or otherwise liquidated or repaid for cash or Cash Equivalents (including, without limitation, any sale for cash or other Cash Equivalents of an Equity Interest in an Unrestricted Subsidiary), the cash return of capital with respect to such Restricted Investment (less the cost of disposition, if any), *plus*
  - (f) 100% of the cash received by the Company since the Issue Date in connection with the incurrence of any Subordinated Shareholder Debt.

The preceding provisions will not prohibit:

- (1) the payment of any dividend within 60 days after the date of declaration of the dividend, if at the date of declaration the dividend payment would have complied with the provisions of the Indenture;
- (2) the redemption, repurchase, retirement, defeasance or other acquisition of any subordinated Indebtedness of the Company or any Restricted Subsidiary or of any Equity Interests of the Company or any Parent Company by conversion into (in the case of subordinated Indebtedness) or in exchange for, or out of the Net Cash Proceeds of the substantially concurrent sale (other than to a Subsidiary of the Company) of, Equity Interests of the Company (other than Disqualified Stock) or Subordinated Shareholder Debt or from the substantially concurrent contribution of equity capital to the Company; *provided* that the amount of any such Net Cash Proceeds that are utilized for any such redemption, repurchase, retirement, defeasance or other acquisition will be excluded from clause (3)(b) of the preceding paragraph;

- (3) the defeasance, redemption, repurchase or other acquisition of subordinated Indebtedness of the Company or any Guarantor with the Net Cash Proceeds from an incurrence of Permitted Refinancing Indebtedness in respect of such subordinated Indebtedness;
- (4) Any Restricted Payment made by exchange for, or out of the proceeds of the substantially current sale of, Equity Interests of the Company (other than Disqualified Stock) or a substantially concurrent cash capital contribution received by the Company from its shareholders; *provided, however*, that the Net Cash Proceeds from such sale or cash capital contribution shall be excluded from clause (3)(b) of the preceding paragraph;
- (5) the repurchase, redemption or other acquisition for value of Equity Interests of any non-Wholly Owned Restricted Subsidiary of the Company if, as a result of such purchase, redemption or other acquisition, the Company increases its percentage ownership, directly or indirectly through its Restricted Subsidiaries, of such non-Wholly Owned Restricted Subsidiary;
- (6) the repurchase, redemption or other acquisition for value of Equity Interests of the Company or its Restricted Subsidiaries representing fractional shares of such Equity Interests in connection with a merger, consolidation, amalgamation or other combination of the Company or any such Restricted Subsidiary;
- (7) following the first Public Offering of the Company's ordinary shares or the ordinary shares of any Parent Company, the payment by the Company of, or loans or advances, dividends or distributions to any Parent Company to pay dividends on the ordinary shares of the Company or any Parent Company, in an amount not to exceed in any fiscal year the greater of (A) an amount equal to 3.0% of the Market Capitalization; *provided* that after giving pro forma effect to the payment of such amount the Leverage Ratio shall be no greater than 2.5 to 1.0 and (B) 6% per annum of the net cash proceeds received by the Company in any Public Offering or contributed in cash to the Company's ordinary shares with the net cash proceeds of any such Public Offerings by any Parent Company;
- (8) loans or advances made to employees, officers or directors (not including the Permitted Holders) in amounts not exceeding €10 million at any time outstanding;
- (9) the declaration and payment of dividends to, or the making of loans to, any Parent Company in amounts required for such Parent Company to pay (i) franchise and similar taxes, and other fees and expenses, required to maintain such Parent Company's corporate existence and (ii) consolidated, combined or similar foreign, federal, state and local income and similar Taxes, to the extent such income Taxes are attributable to the income, revenue, receipts, capital or margin of the Company and the Restricted Subsidiaries and, to the extent of the amount actually received from the Company's Unrestricted Subsidiaries, in amounts required to pay such Taxes to the extent attributable to the income of such Unrestricted Subsidiaries; *provided* that in each case the amount of such payments in any fiscal year does not exceed the amount that the Company, the Restricted Subsidiaries and the Company's Unrestricted Subsidiaries (to the extent described above) would be required to pay in respect of foreign, federal, state and local Taxes for such fiscal year had the Company, the Restricted Subsidiaries and the Company's Unrestricted Subsidiaries (to the extent described above) been a standalone taxpayer (separate from any such Parent Company) for all fiscal years ending after the Issue Date;
- (10) other Restricted Payments on account of the Company's consolidated net profit in the 2012 fiscal year in an amount (measured on the date each such Restricted Payment was made and without giving effect to subsequent changes in value) when taken together with all other Restricted Payments made pursuant to this clause (9) not to exceed €51.1 million; *provided* that they will be declared by the Company no later than June 30, 2013 and paid no later than 60 days after June 30, 2013;
- (11) following the repayment of all outstanding intercompany debt owed by the Company to Corporación Gestamp under the Parent Company Payable, loans to Corporación Gestamp by the Company solely for the purpose of making payments of principal and interest arising under the EIB Loan Facility and ICO Loan Facility in accordance with its terms (as such terms may be amended or modified after the Issue Date; *provided* that any such amendment or modification does not increase the principal amount thereof or the interest rate thereon);
- (12) Restricted Payments made with the proceeds of Excluded Contributions;

- (13) Restricted Payments pursuant to clause (i) of the second paragraph under “—Certain Covenants—Transactions with Affiliates”;
- (14) other Restricted Payments made after the Issue Date in an amount (measured on the date each such Restricted Payment was made and without giving effect to subsequent changes in value) when taken together with all other Restricted Payments made pursuant to this clause (14) not to exceed €50 million (*provided* that if an Investment is made pursuant to this clause in a Person that is not a Restricted Subsidiary and such Person is subsequently designated a Restricted Subsidiary, such Investment shall thereafter be deemed to have been made pursuant to clause (3) of the definition of “Permitted Investments” and not this clause);

*provided, however*, that after giving effect to any Restricted Payment referred to in clauses (5), (7), (8) or (14) of this paragraph, no Default or Event of Default shall have occurred and be continuing or would occur as a consequence thereof.

The amount of all Restricted Payments (other than cash) will be the Fair Market Value on the date of the Restricted Payment of the assets or securities proposed to be transferred or issued by the Company or such Restricted Subsidiary, as the case may be, pursuant to the Restricted Payment. The Fair Market Value of any assets or securities that are required to be valued by this covenant will be determined by the responsible financial or accounting officer of the Company. The determination of such responsible financial or accounting officer will be final and conclusive.

#### ***Incurrence of Indebtedness and Issuance of Preferred Stock and Disqualified Stock***

The Company will not, and will not permit any of its Restricted Subsidiaries to, directly or indirectly, create, incur, issue, assume, guarantee or otherwise become directly or indirectly liable, contingently or otherwise, with respect to (collectively, “*incur*”) any Indebtedness (including Acquired Debt), and the Company will not issue any Disqualified Stock and will not permit any of its Restricted Subsidiaries to issue any shares of preferred stock; *provided, however*, that the Company and any Restricted Subsidiary may incur Indebtedness, the Company or any Restricted Subsidiary may incur Acquired Debt and the Company may issue Disqualified Stock and any Restricted Subsidiary may issue shares of preferred stock, if the Fixed Charge Coverage Ratio for the Company’s most recently ended four full fiscal quarters for which internal financial statements are available immediately preceding the date on which such additional Indebtedness is incurred or such Disqualified Stock or preferred stock is issued would have been at least 2.5 to 1.0, determined on a pro forma basis (including a pro forma application of the net proceeds therefrom), as if the additional Indebtedness had been incurred or the Disqualified Stock or preferred stock had been issued, as the case may be, at the beginning of such four-quarter period; *provided* that a Restricted Subsidiary of the Company that is not a Guarantor or the Issuer may incur Indebtedness or issue Disqualified Stock or preferred stock pursuant to this paragraph solely to the extent that the Non-Guarantor Leverage Ratio for the Company’s most recently ended four fiscal quarters for which internal financial statements are available immediately preceding the date on which such Indebtedness is incurred or such Disqualified Stock or preferred stock is issued, as the case may be, would have been no greater than 0.75 to 1.00, as determined on a pro forma basis (including a pro forma application of the net proceeds therefrom), as if such Indebtedness had been incurred or the Disqualified Stock or preferred stock had been issued, as the case may be, at the beginning of such four-quarter period.

The first paragraph of this covenant will not prohibit the incurrence by the Company or its Restricted Subsidiaries of any of the following items of Indebtedness (collectively, “*Permitted Debt*”):

- (1) the incurrence by the Company and any Restricted Subsidiary of additional Indebtedness and letters of credit under Credit Facilities in an aggregate principal amount at any one time outstanding under this clause (1) not to exceed €1,000 million;
- (2) the incurrence by the Company and its Restricted Subsidiaries of the Existing Indebtedness;
- (3) the incurrence (a) by the Issuer of Indebtedness represented by the Notes to be issued hereby (but not including any Additional Notes), (b) by the Company, the Subsidiary Guarantors and any future Guarantors of Indebtedness represented by a Note Guarantee (including Note Guarantees of Additional Notes incurred in compliance with the Indenture), and (c) by the Company of Indebtedness represented by the Funding Loan;
- (4) the incurrence by the Company or any of its Restricted Subsidiaries of Indebtedness represented by Capital Lease Obligations, mortgage financings, sale and leaseback transactions or purchase



money obligations, in each case, incurred for the purpose of financing all or any part of the purchase price or cost of construction or improvement of property, plant or equipment used in the business of the Company or such Restricted Subsidiary, in an aggregate principal amount, including all Permitted Refinancing Indebtedness incurred to renew, refund, refinance, replace, defease or discharge any Indebtedness incurred pursuant to this clause (4), not to exceed €100 million at any time outstanding;

- (5) the incurrence by the Company or any of its Restricted Subsidiaries of Permitted Refinancing Indebtedness in exchange for, or the net proceeds of which are used to refund, refinance or replace Indebtedness (other than intercompany Indebtedness) that was permitted by the Indenture to be incurred under the first paragraph of this covenant or clauses (2), (3) or (5) of this paragraph;
- (6) the incurrence by the Company or any of its Restricted Subsidiaries of intercompany Indebtedness between or among the Company and any of its Restricted Subsidiaries; *provided, however, that:*
  - (a) if the Company or any other Guarantor is the obligor on such Indebtedness and the creditor is not a Guarantor, such Indebtedness must be unsecured and expressly subordinated to the prior payment in full in cash of all Obligations with respect, in any bankruptcy, insolvency or winding up of such obligor, to its Note Guarantee and, in the case of the Company, its obligations under the Funding Loan, as applicable, and
  - (b) (i) any subsequent issuance or transfer of Equity Interests that results in any such Indebtedness being held by a Person other than the Company or a Restricted Subsidiary of the Company and (ii) any sale or other transfer of any such Indebtedness to a Person that is not either the Company or a Restricted Subsidiary of the Company will be deemed, in each case, to constitute an incurrence of such Indebtedness by the Company or such Restricted Subsidiary, as the case may be, that was not permitted by this clause (6);
- (7) the incurrence by the Company or any of its Restricted Subsidiaries of Hedging Obligations that are incurred for the purpose of fixing or hedging interest rate risk or currency risk (i) with respect to any floating rate or non-euro denominated Indebtedness that is permitted by the terms of the Indenture to be outstanding or (ii) for non-speculative purposes in the ordinary course of business;
- (8) the guarantee by the Company or any of the other Guarantors (subject to compliance with the covenant “—Certain Covenants—Additional Note Guarantees”) of Indebtedness of the Company or a Restricted Subsidiary of the Company that was permitted to be incurred by another provision of this covenant; *provided* that if the Indebtedness being guaranteed is subordinated to or *pari passu* with the Note or a Note Guarantee, then the guarantee must be expressly subordinated or *pari passu*, as applicable, to the same extent as the Indebtedness being guaranteed;
- (9) the incurrence by the Company or any Restricted Subsidiary of Indebtedness in connection with one or more standby letters of credit or performance bonds issued by the Company or a Restricted Subsidiary in the ordinary course of business or pursuant to self-insurance obligations and, in each case, not in connection with the borrowing of money or the obtaining of advances or credit;
- (10) the incurrence by the Company or any Restricted Subsidiary of Indebtedness arising from agreements providing for indemnification or adjustment of purchase price or from guarantees or letters of credit securing any Obligations of the Company or any Restricted Subsidiary pursuant to such agreements, incurred in connection with the sale or other disposition of any business, assets or Restricted Subsidiary of the Company, other than guarantees or similar credit support by the Company or any Restricted Subsidiary of Indebtedness incurred by any Person acquiring such business, assets or subsidiary; *provided* that the maximum Indebtedness permitted by this clause (10) in respect of any such sale or other disposition of any business, assets or subsidiary shall not exceed the Net Cash Proceeds from such sale or other disposition;
- (11) the incurrence by the Company or any Restricted Subsidiary of Indebtedness arising from guarantees to suppliers, lessors, licensees, contractors, franchisees or customers and incurred in the ordinary course of business;

- (12) the incurrence by the Company or any Restricted Subsidiary of Indebtedness in respect of any obligations under workers' compensation laws and similar legislation;
- (13) Indebtedness incurred pursuant to the factoring of Receivables arising in the ordinary course of business pursuant to customary arrangements; *provided*, that either (a) no portion of such Indebtedness has, directly or indirectly, contingent or otherwise, recourse to any property or assets of the Company or any of its Restricted Subsidiaries (other than the Receivables that are the subject of the factoring), or (b) if such Indebtedness has recourse to any property or assets of the Company or any of its Restricted Subsidiaries, only the portion of such Indebtedness that is not recourse to any property or assets of the Company or any of its Restricted Subsidiaries (other than Receivables that are the subject of the factoring) may be considered as "Permitted Debt" under this clause (13);
- (14) the incurrence by the Company or any Restricted Subsidiary of guarantees of Indebtedness of Permitted Joint Ventures in an amount not to exceed €100 million;
- (15) Indebtedness, Disqualified Stock or preferred stock of Persons that are acquired by the Company or any Restricted Subsidiary of the Company or merged, consolidated, amalgamated or otherwise combined with (including pursuant to any acquisition of assets and assumption of related liabilities) the Company or a Restricted Subsidiary of the Company in accordance with the terms of the Indenture; *provided* that such Indebtedness, Disqualified Stock or preferred stock are not incurred or issued in connection with such acquisition, merger, consolidation, amalgamation or other combination, and, after giving effect to such acquisition, merger, consolidation, amalgamation or other combination, either:
  - (a) the Company or such Restricted Subsidiary would be permitted to incur at least €1.00 of additional Indebtedness pursuant to the Fixed Charge Coverage Ratio test set forth in the first sentence, of this covenant; or
  - (b) the Fixed Charge Coverage Ratio of the Company is no less than immediately prior to such acquisition, merger, consolidation, amalgamation or other combination; and
- (16) the incurrence by the Company or any Restricted Subsidiary of additional Indebtedness (including Acquired Debt) in an aggregate principal amount (or accreted value, as applicable) at any time outstanding, including all Permitted Refinancing Indebtedness incurred to refund, refinance or replace any Indebtedness incurred pursuant to this clause (16), not to exceed €150 million.

To the extent any Restricted Subsidiary that is not a Guarantor is a joint obligor with respect to any Indebtedness, the entire amount of such Indebtedness shall be considered Indebtedness of a Restricted Subsidiary that is not a Guarantor for purposes of this covenant.

The accrual of interest, the accretion or amortization of original issue discount, the payment of interest on any Indebtedness in the form of additional Indebtedness with the same terms, and the payment of dividends on Disqualified Stock in the form of additional shares of the same class of Disqualified Stock will not be deemed to be an incurrence of Indebtedness or an issuance of Disqualified Stock for purposes of this covenant; *provided* that, in each such case, that the amount thereof is included in Consolidated Interest Expense of the Company as accrued or paid in accordance with the definition of such term.

The incurrence by an Unrestricted Subsidiary of the Company of Non-Recourse Debt will not be deemed to be an incurrence of Indebtedness or an issuance of Disqualified Stock for purposes of this covenant; *provided, however*, that if any such Indebtedness ceases to be Non-Recourse Debt of such Unrestricted Subsidiary, such Indebtedness shall be deemed to constitute an incurrence of Indebtedness by a Restricted Subsidiary of the Company that was not permitted by this covenant.

For purposes of determining compliance with this covenant, in the event that an item of proposed Indebtedness meets the criteria of more than one of the categories of Permitted Debt described in clauses (1) through (16) above, or is entitled to be incurred pursuant to the first paragraph of this covenant, the Company will be permitted to classify such item of Indebtedness on the date of its incurrence, or later reclassify all or a portion of such item of Indebtedness, in any manner that complies with this covenant.

## ***Liens***

The Company will not, and will not permit any of its Restricted Subsidiaries to, directly or indirectly, create, incur, assume or suffer to exist any Lien of any kind upon any of its assets or property (including Capital Stock of Restricted Subsidiaries), whether owned on the Issue Date or acquired after that date, or any interest therein or any income or profits therefrom, which Lien is securing any Indebtedness (such Lien, the “*Initial Lien*”), except (a) in the case of any property or asset that does not constitute Collateral, (1) Permitted Liens or (2) Liens on property or assets that are not Permitted Liens if the Notes and the Indenture (or a Note Guarantee in the case of Liens of a Guarantor) are directly secured equally and ratably with, or senior in right of payment to, in the case of Liens with respect to subordinated Indebtedness, the Indebtedness secured by such Initial Lien for so long as such Indebtedness is so secured, and (b) in the case of any property or asset that constitutes Collateral, Permitted Collateral Liens.

## ***Dividend and Other Payment Restrictions Affecting Subsidiaries***

The Company will not, and will not permit any of its Restricted Subsidiaries to, directly or indirectly, create or permit to exist or become effective any consensual encumbrance or restriction on the ability of any Restricted Subsidiary to:

- (1) pay dividends or make any other distributions on its Capital Stock to the Company or any of its Restricted Subsidiaries, or with respect to any other interest or participation in, or measured by, its profits, or pay any indebtedness owed to the Company or any of its Restricted Subsidiaries;
- (2) make loans or advances to the Company or any of its Restricted Subsidiaries; or
- (3) transfer any of its properties or assets to the Company or any of its Restricted Subsidiaries.

However, the preceding restrictions will not apply to encumbrances or restrictions existing under or by reason of:

- (1) agreements governing Existing Indebtedness and Credit Facilities as in effect on the Issue Date and any amendments, modifications, restatements, renewals, increases, supplements, refundings, replacements or refinancings of those agreements; *provided* that the amendments, modifications, restatements, renewals, increases, supplements, refundings, replacement or refinancings are no more restrictive, taken as a whole, with respect to such dividend and other payment restrictions than those contained in those agreements on the Issue Date;
- (2) the Indenture, the Notes, the Note Guarantees, the Intercreditor Agreement, the Security Documents and any notes and guarantees in connection with the subsequent issuance of debt securities in accordance with and on terms no less onerous than the Indenture;
- (3) applicable law or regulation or the terms of any license, authorization, concession or permit to engage in a Permitted Business;
- (4) any instrument governing Indebtedness or Capital Stock of a Person acquired by the Company or any of its Restricted Subsidiaries as in effect at the time of such acquisition (except to the extent such Indebtedness or Capital Stock was incurred in connection with or in contemplation of such acquisition), which encumbrance or restriction is not applicable to any Person, or the properties or assets of any Person, other than the Person, or the property or assets of the Person, so acquired; *provided* that, in the case of Indebtedness, such Indebtedness was permitted by the terms of the Indenture to be incurred;
- (5) customary non-assignment provisions in leases entered into in the ordinary course of business and consistent with past practices;
- (6) purchase money obligations for property acquired in the ordinary course of business that impose restrictions on that property of the nature described in clause (4) of the second paragraph of the covenant entitled “—Certain Covenants—Incurrence of Indebtedness and Issuance of Preferred Stock and Disqualified Stock”;
- (7) any agreement for the sale or other disposition of a Restricted Subsidiary that restricts distributions by that Restricted Subsidiary pending its sale or other disposition;
- (8) Permitted Refinancing Indebtedness; *provided* that the restrictions contained in the agreements governing such Permitted Refinancing Indebtedness are no more restrictive, taken as a whole, than those contained in the agreements governing the Indebtedness being refinanced;

- (9) Liens securing Indebtedness otherwise permitted to be incurred under the provisions of the covenant entitled “—Certain Covenants—Liens” that limit the right of the debtor to dispose of the assets subject to such Liens;
- (10) customary provisions in joint venture agreements, asset sale agreements, stock sale agreements and other similar agreements;
- (11) provisions that restrict in a customary manner the subletting, assignment or transfer of any property or asset that is subject to a lease, license or other contract entered into in the ordinary course of business;
- (12) restrictions on cash or other deposits or net worth imposed by customers under contracts entered into in the ordinary course of business; and
- (13) any agreement or instrument (A) relating to any Indebtedness or preferred stock of a Restricted Subsidiary of the Company permitted to be incurred subsequent to the Issue Date pursuant to the provisions of the covenant described under “—Incurrence of Indebtedness and Issuance of Preferred Stock and Disqualified Stock” (i) if the encumbrances and restrictions contained in any such agreement or instrument taken as a whole are not materially less favorable to the holders of the Notes than the encumbrances and restrictions contained in the Senior Credit Facilities as in effect on the Issue Date (as determined in good faith by the Company) or (ii) if the encumbrances and restrictions are not materially more disadvantageous to the holders of the Notes than is customary in comparable financings (as determined in good faith by the Company) and either (x) the Company determines that such encumbrance or restriction will not adversely affect the Company’s ability to make principal and interest payments on the Notes as and when they come due or (y) such encumbrances and restrictions apply only during the continuance of a default in respect of a payment or financial maintenance covenant relating to such Indebtedness, (B) constituting an intercreditor agreement on terms substantially equivalent to the Intercreditor Agreement or (C) relating to any loan or advance by the Company to a Restricted Subsidiary of the Company subsequent to the Issue Date; *provided* that with respect to this clause (13) the encumbrances and restrictions contained in any such agreement or instrument taken as a whole are not materially less favorable to the holders of the Notes than the encumbrances and restrictions contained in the Senior Credit Facilities, the Security Documents and the Intercreditor Agreement (as in effect on the Issue Date).

#### ***Merger, Consolidation or Sale of Assets***

The Company may not, directly or indirectly: (1) consolidate or merge with or into another Person; or (2) sell, assign, transfer, convey or otherwise dispose of all or substantially all of the properties or assets of the Company and its Restricted Subsidiaries taken as a whole, in one or more related transactions, to another Person; unless:

- (1) either: (a) the Company is the surviving corporation; or (b) the Person formed by or surviving any such consolidation or merger (if other than the Company) or to which such sale, assignment, transfer, conveyance or other disposition has been made (the “*Surviving Entity*”) is a corporation organized or existing under the laws of (i) Spain, (ii) any other member of the European Union that has adopted the euro as its national currency, (iii) the United Kingdom or (iv) the United States, any state of the United States or the District of Columbia;
- (2) the Surviving Entity (if other than the Company) assumes all the obligations of the Company under its Note Guarantee and the Funding Loan and, in each case, the Indenture, the applicable Security Documents, the Intercreditor Agreement and any Additional Intercreditor Agreement, pursuant to agreements satisfactory to the Trustee;
- (3) immediately after giving effect to such transaction no Default or Event of Default exists or would exist; and
- (4) the Company or the Surviving Entity, as the case may be, will:
  - (a) on the date of such transaction after giving pro forma effect thereto and any related financing transactions as if the same had occurred at the beginning of the applicable four-quarter period, either (i) be permitted to incur at least €1.00 of additional Indebtedness pursuant to the Fixed Charge Coverage Ratio test set forth in the first paragraph of the covenant entitled “—Certain Covenants—Incurrence of Indebtedness and Issuance of

Preferred Stock and Disqualified Stock” or (ii) the Fixed Charge Coverage Ratio of the Company (or, if applicable, the Surviving Entity) would equal or exceed the Fixed Charge Coverage Ratio of the Company immediately prior to giving effect to such transaction; and

- (b) deliver to the Trustee an Officer’s Certificate and an Opinion of Counsel, in each case, stating that such consolidation, merger or transfer and any supplemental indenture comply with this covenant and the Indenture, and, if the Company is not the surviving entity, that the accession agreement executed in connection therewith is the legally valid and binding obligation of the Successor Entity enforceable (subject to customary exceptions and exclusions) in accordance with their terms.

In addition, the Company may not, directly or indirectly, lease all or substantially all of its properties or assets, in one or more related transactions, to any other Person. This “—Merger, Consolidation or Sale of Assets” covenant will not apply to a sale, assignment, transfer, conveyance or other disposition of assets between or among the Company and any of the Guarantors. Notwithstanding clause (4)(a) of the foregoing, the Company or any Guarantor may merge with an Affiliate solely for the purpose of reincorporating the Company or such Guarantor in another jurisdiction to realize tax or other benefits.

A Subsidiary Guarantor may not sell or otherwise dispose of all or substantially all of its assets to, or consolidate with or merge with or into (whether or not such Subsidiary Guarantor is the surviving Person) another Person, other than the Company or another Subsidiary Guarantor, unless:

- (1) immediately after giving effect to that transaction, no Default or Event of Default exists; and
- (2) either:
  - (a) the Person acquiring the property in any such sale or disposition or the Person formed by or surviving any such consolidation or merger assumes all the obligations of that Subsidiary Guarantor under the Indenture and its Note Guarantee pursuant to a supplemental indenture satisfactory to the Trustee and the applicable Security Documents, the Intercreditor Agreement and any Additional Intercreditor Agreement;
  - (b) the Net Proceeds of such sale or other disposition are applied in accordance with the applicable provisions of the Indenture; or
  - (c) in any transaction between (i) the Company or a Subsidiary Guarantor and (ii) a Restricted Subsidiary that is not a Subsidiary Guarantor, the Company or such Subsidiary Guarantor is the surviving Person or the Restricted Subsidiary is the surviving Person and assumes all of the obligations of the Company or such Subsidiary Guarantor under the Indenture and its Note Guarantee pursuant to a supplemental indenture satisfactory to the Trustee.

### ***Transactions with Affiliates***

The Company will not, and will not permit any of its Restricted Subsidiaries to, make any payment to, or sell, lease, transfer or otherwise dispose of any of its properties or assets to, or purchase any property or assets from, or enter into or make or amend any transaction, contract, agreement, understanding, loan, advance or guarantee with, or for the benefit of, any Affiliate (each, an “*Affiliate Transaction*”) involving aggregate payments or consideration in excess of €5 million, unless:

- (1) the Affiliate Transaction is on terms no less favorable to the Company or the relevant Restricted Subsidiary than those that would have been obtained in a comparable transaction by the Company or such Restricted Subsidiary with an unrelated Person; and
- (2) the Company delivers to the Trustee:
  - (a) with respect to any Affiliate Transaction or series of related Affiliate Transactions involving aggregate consideration in excess of €25 million, a resolution of the Board of Directors of the Company set forth in an officers’ certificate certifying that such Affiliate Transaction complies with clause (1) above; and
  - (b) with respect to any Affiliate Transaction or series of related Affiliate Transactions involving aggregate consideration in excess of €50 million, an opinion that such transaction or series of transactions is fair to the holders from a financial point of view, or is not less favorable than could reasonably be expected to be obtained at the time in an arm’s length transaction with a Person who was not an Affiliate of the Company, which opinion shall be issued by an



independent accounting, appraisal or investment banking firm of international or national standing.

The following items will not be deemed to be Affiliate Transactions and, therefore, will not be subject to the provisions of the prior paragraph:

- (a) transactions between or among (i) the Company and/or (ii) its Restricted Subsidiaries;
- (b) transactions with a Person (including any joint venture or equity investee) that is an Affiliate of the Company or a Restricted Subsidiary solely because the Company or a Restricted Subsidiary owns an Equity Interest in such Person;
- (c) payment of reasonable director's and other fees to, indemnities provided on behalf of, and expenses (including expense reimbursement, employee benefit and pension expenses) relating to, officers, directors, employees or consultants of the Company or its Parent Company or the Company's Subsidiaries and payments of benefits and salaries to employees of the Company or its Subsidiaries in the ordinary course of business;
- (d) issuances or sales of Equity Interests of the Company (other than Disqualified Stock) or Subordinated Shareholder Debt to Affiliates of the Company;
- (e) purchases of steel blanks, coils and other raw materials by Affiliates of the Company or its Restricted Subsidiaries on terms reflecting current market conditions, that are no less favorable, when taken as a whole, to the Company or such Restricted Subsidiary, as applicable, than those available to the Company or such Restricted Subsidiary from third parties;
- (f) sales of scrap steel and other steel materials by the Company or its Restricted Subsidiaries to Affiliates on terms reflecting current market conditions, that are no less favorable, when taken as a whole, to the Company or such Restricted Subsidiary, as applicable, than those available from the Company or such Restricted Subsidiary to third parties;
- (g) payments pursuant to real estate leases and license agreements entered into in the ordinary course of business and on reasonable arm's length terms, not exceeding €5 million per annum in the aggregate;
- (h) Permitted Investments or Restricted Payments that are permitted by the provisions of the Indenture described above under the caption "—Certain Covenants—Restricted Payments" (other than Permitted Investments described in clauses (3), (12), (13)(i), (15) and (17) of the definition of "Permitted Investments"); and
- (i) performance of any agreement of the Company or a Restricted Subsidiary as in effect on the Issue Date and disclosed in the Listing Particulars under "Shareholders and Certain Transactions" and any amendment after the Issue Date (so long as such amendment is not disadvantageous to the holders of the Notes in any material respect) to any such agreement (except as covered by clause (h) hereof).

***Limitation on Sales of Assets and Equity Interests in Restricted Subsidiaries***

The Company will not, and will not permit any of its Restricted Subsidiaries to, consummate an Asset Sale unless:

- (1) the Company (or the Restricted Subsidiary, as the case may be) receives consideration at the time of the Asset Sale at least equal to the Fair Market Value of the assets or Capital Stock issued or sold or otherwise disposed of; and
- (2) at least 75% of the consideration received in the Asset Sale by the Company or such Restricted Subsidiary is in the form of cash or Cash Equivalents. For purposes of this provision, each of the following will be deemed to be cash:
  - (a) any liabilities, as shown on the Company's or such Restricted Subsidiary's most recent balance sheet, of the Company or any Restricted Subsidiary (other than contingent liabilities and liabilities that are by their terms subordinated to the Notes or any Note Guarantee) that are assumed by the transferee of any such assets pursuant to a customary novation agreement that releases the Company or such Restricted Subsidiary from further liability; and

- (b) any securities, notes or other obligations received by the Company or any such Restricted Subsidiary from such transferee that are converted by the Company or such Restricted Subsidiary into cash within 180 days of the receipt thereof, to the extent of the cash received in that conversion.

Within 360 days after the receipt of any Net Cash Proceeds from an Asset Sale, the Company may apply those Net Cash Proceeds, if any, at its option:

- (1) to repay, repurchase, prepay or redeem (i)(a) to the extent such Net Cash Proceeds derives from an Asset Sale in respect of an asset which, immediately prior to such Asset Sale did not constitute Collateral, Indebtedness of a Restricted Subsidiary that is not a Guarantor (other than Indebtedness owed to the Company or an Affiliate of the Company) or Indebtedness which is secured by a Lien on such asset or (b) Indebtedness of the Company or any other Restricted Subsidiary incurred under Credit Facilities pursuant to clause (1) of the second paragraph of the covenant entitled “—Incurrence of Indebtedness and Issuance of Preferred Stock and Disqualified Stock” that is secured by a Lien on the Collateral; *provided, however*, that, in connection with any prepayment, repayment or purchase of Indebtedness pursuant to this clause (i)(a), the Company or such Restricted Subsidiary will retire such Indebtedness and will cause the related commitment (if any) to be permanently reduced in an amount equal to the principal amount so prepaid, repaid or purchased, or (ii) to prepay, repay or purchase *Pari Passu* Indebtedness; *provided* that the Company shall redeem, repay or repurchase *Pari Passu* Indebtedness pursuant to this clause (ii) only if the Company makes (at such time or subsequently in compliance with this covenant) an offer to the holders of the Notes to purchase their Notes in accordance with the provision set forth below for an Asset Sale Offer for an aggregate principal amount of Notes at least equal to the proportion that (x) the total aggregate principal amount of Notes outstanding bears to (y) the sum of the total aggregate principal amount of Notes outstanding plus the total aggregate principal amount outstanding of such *Pari Passu* Indebtedness;
- (2) to acquire all or substantially all of the assets of, or a majority of the Voting Stock of, another Permitted Business, if, after giving effect to any such acquisition of Capital Stock, the Permitted Business is or becomes a Restricted Subsidiary;
- (3) to make a capital expenditure;
- (4) to acquire other long-term assets (other than Indebtedness or Capital Stock) that are used or useful in a Permitted Business;
- (5) to enter into a binding commitment to apply the Net Cash Proceeds pursuant to clause (2), (3) or (4) of this paragraph; *provided* that such binding commitment shall be treated as a permitted application of the Net Cash Proceeds from the date of such commitment until the earlier of (x) the date on which such acquisition or expenditure is consummated and (y) the 180th day following the expiration of the aforementioned 360 day period; or
- (6) any combination of the foregoing.

In connection with any investment in Voting Stock pursuant to clause (2) if the assets sold constituted Collateral, the Company will also grant a pledge, or will cause a pledge to be granted, on, a senior basis over any acquired Voting Stock in a Person incorporated in the same jurisdiction of the Person whose Voting Stock constituted Collateral as additional Collateral. Pending the final application of any Net Cash Proceeds, the Company may temporarily reduce revolving credit borrowings or otherwise invest the Net Cash Proceeds in any manner that is not prohibited by the Indenture. Notwithstanding the foregoing provisions of this covenant, the Company and the Restricted Subsidiaries will not be required to apply any Net Cash Proceeds in accordance with this covenant except to the extent that the aggregate Net Cash Proceeds from all Asset Sales which is not applied in accordance with this covenant exceeds €25 million.

Any Net Cash Proceeds from Asset Sales that are not applied or invested as provided in the preceding paragraph will constitute “*Excess Proceeds*.” When the aggregate amount of Excess Proceeds exceeds €25 million, the Issuer will make an Asset Sale Offer to all holders of Notes, and the Company will make any required offer to purchase *Pari Passu* Indebtedness containing similar asset sale provisions, to purchase the maximum principal amount of Notes and such *Pari Passu* Indebtedness that may be purchased out of the Excess Proceeds and the Company will prepay the Funding Loan to the extent necessary to finance the repurchase of the Notes by the Issuer. The offer price in any Asset Sale Offer will be equal to 100% of

principal amount plus accrued and unpaid interest to the date of purchase, and will be payable in cash. If any Excess Proceeds remain after consummation of an Asset Sale Offer, the Company may use those Excess Proceeds for any purpose not otherwise prohibited by the Indenture. If the aggregate principal amount of Notes and other *Pari Passu* Indebtedness tendered into such Asset Sale Offer exceeds the amount of Excess Proceeds, the Trustee will select the Notes and such other *Pari Passu* Indebtedness to be purchased on a *pro rata* basis. Upon completion of each Asset Sale Offer the amount of Excess Proceeds will be reset at zero.

The Issuer and the Company will comply with the requirements of Rule 14e-1 under the Exchange Act and any other securities laws and regulations thereunder to the extent those laws and regulations are applicable in connection with each repurchase of Notes and the related Note Guarantees pursuant to an Asset Sale Offer. To the extent that the provisions of any securities laws or regulations conflict with the Asset Sale provisions of the Indenture, the Issuer and the Company will comply with the applicable securities laws and regulations and will not be deemed to have breached their respective obligations under the Asset Sale provisions of the Indenture by virtue of such compliance.

#### ***Designation of Restricted and Unrestricted Subsidiaries***

The Board of Directors of the Company or, if required by applicable law, the shareholders of the Company may designate any Restricted Subsidiary to be an Unrestricted Subsidiary if that designation would not cause a Default. If a Restricted Subsidiary is designated as an Unrestricted Subsidiary, the aggregate Fair Market Value of all outstanding Investments owned by the Company and its Restricted Subsidiaries in the Subsidiary so designated will be deemed to be an Investment made as of the time of such designation and will either reduce the amount available for Restricted Payments under the first paragraph of the covenant entitled “—Certain Covenants—Restricted Payments” or reduce the amount available for future Investments under one or more clauses of the definition of Permitted Investments, as the Company shall determine. That designation will only be permitted if such Investment would be permitted at that time and if such Restricted Subsidiary otherwise meets the definition of an Unrestricted Subsidiary. The Board of Directors of the Company or, if required by applicable law, the shareholders of the Company may redesignate any Unrestricted Subsidiary to be a Restricted Subsidiary if the redesignation would not cause a Default.

#### ***Additional Note Guarantees***

The Company shall cause any Restricted Subsidiary that after the Issue Date is or becomes a Material Subsidiary (except for any Restricted Subsidiary which was a Material Subsidiary at the Issue Date but was not an initial Subsidiary Guarantor, any Restricted Subsidiary that is already a Guarantor, or any Restricted Subsidiary as to which the Company and its Restricted Subsidiaries do not own, directly or indirectly, greater than 90% of the Capital Stock) to execute and deliver a supplemental indenture providing for the Note Guarantee by such Restricted Subsidiary on the same terms as the Note Guarantees granted by the other Subsidiary Guarantors hereunder.

For so long as the Notes are listed on the Official List of the Luxembourg Stock Exchange and traded on the Euro MTF Market, the Issuer will publish a notice of such additional guarantees in accordance with the requirements of such rules.

The Company will not permit any of its Restricted Subsidiaries, directly or indirectly, to guarantee the payment of any other Credit Facilities or other Public Debt of the Issuer or any Guarantor unless such incurrence is permitted by the covenant entitled “—Certain Covenants—Incurrence of Indebtedness and Issuance of Preferred Stock and Disqualified Stock”, and such Restricted Subsidiary (if not already a Subsidiary Guarantor) simultaneously executes and delivers a supplemental indenture and supplemental intercreditor agreement pursuant to which such Restricted Subsidiary will guarantee payment of the Notes on the same terms and conditions as those set forth in the Indenture, the Intercreditor Agreement and any Additional Intercreditor Agreement and which Note Guarantee will be senior to or *pari passu* with such Restricted Subsidiary’s guarantee of such other Credit Facilities or other Public Debt; *provided* that no such additional Note Guarantee need be provided in respect of Credit Facilities or other Public Debt of the Issuer or any Guarantor (i) that does not exceed €25 million, in the aggregate with all other Credit Facilities or other Public Debt described under this clause (i), (ii) if the guarantee of such Indebtedness is pursuant to a regulatory requirement and such Credit Facilities or other Public Debt is owed to a regulatory body, or (iii) if such Credit Facilities or other Public Debt is guaranteed by such Restricted Subsidiary on the Issue Date and such Restricted Subsidiary is not a Guarantor.

The Company shall not be obligated to cause such Restricted Subsidiary to guarantee the Notes to the extent that (A) such Note Guarantee could reasonably be expected to give rise to or result in: (1) any violation of applicable law that cannot be avoided or otherwise prevented through measures reasonably available to the Company, the Issuer or a Restricted Subsidiary (2) any liability for the officers, directors or shareholders of such Restricted Subsidiary; (3) any cost, expense, liability or obligation (including any Tax) other than reasonable out of pocket expenses and other than reasonable governmental or regulatory filing fees and (4) a requirement under applicable law, rule or regulation to obtain or prepare financial statements or financial information of such Person to be included in any required filing with a legal or regulatory authority that the Company is not able to obtain or prepare through measures reasonably available to the Company or (B) (i) such Restricted Subsidiary is incorporated in any jurisdiction located in North America or South America, (ii) such Restricted Subsidiary is a Subsidiary of any Person described under clause (i) above, or (iii) such Restricted Subsidiary is incorporated in Japan, China, South Korea, India or Taiwan.

Notwithstanding the preceding paragraphs of this covenant, any Note Guarantee by a Restricted Subsidiary will provide by its terms that it will be automatically and unconditionally released and discharged when (i) the Indebtedness that gave rise to the obligation to guarantee the Notes is discharged, (ii) in the case of any Note Guarantee granted as contemplated under the third paragraph of this covenant as a result of a Restricted Subsidiary guaranteeing other Credit Facilities or Public Debt, when such other Indebtedness is released and discharged, or (iii) otherwise under the circumstances described above under the caption “—Brief Description of the Notes, the Funding Loan, the Note Guarantees and the Intercreditor Agreement—The Note Guarantees.” The terms, provisions and limitations related to the Note Guarantees will be included in the Indenture.

#### ***Impairment of Security Interest***

The Company shall not and shall not permit any Restricted Subsidiary to, take or omit to take any action that would have the result of materially impairing the security interest with respect to the Collateral (it being understood that the incurrence of Permitted Collateral Liens shall under no circumstances be deemed to materially impair the security interest with respect to the Collateral) for the benefit of the Trustee and the holders of the Notes, and the Company shall not, and shall not permit any Restricted Subsidiary to, grant to any Person other than the Security Agent, for the benefit of the Trustee and the holders of the Notes and the other beneficiaries described in the Security Documents, any interest whatsoever in any of the Collateral, except that the Company and its Restricted Subsidiaries may incur Permitted Collateral Liens and the Collateral may be discharged, transferred or released in accordance with the Indenture, the applicable Security Documents or the Intercreditor Agreement *provided, however*, that (a) nothing in this provision shall restrict the release or replacement of any security interests in compliance with the terms of the Indenture as described under “—Security—Release of Security Interests” and (b) any Security Document may be amended, extended, renewed, restated, supplemented or otherwise modified or replaced, if contemporaneously with any such action, the Company delivers to the Trustee, either (1) a solvency opinion, in form and substance reasonably satisfactory to the Trustee, from an independent financial advisor confirming the solvency of the Company and its Subsidiaries, taken as a whole, after giving effect to any transactions related to such amendment, extension, renewal, restatement, supplement, modification or replacement, (2) a certificate from the Board of Directors of the relevant Person which confirms the solvency of the Person granting such security interest after giving effect to any transactions related to such amendment, extension, renewal, restatement, supplement, modification or release and replacement, or (3) an opinion of counsel, in form and substance reasonably satisfactory to the Trustee, confirming that, after giving effect to any transactions related to such amendment, extension, renewal, restatement, supplement, modification or replacement, the Lien or Liens created under the security so amended, extended, renewed, restated, supplemented, modified or replaced are valid Liens, in each case, not otherwise subject to any limitation, imperfection or new hardening period, in equity or at law, that such Lien or Liens were not otherwise subject to immediately prior to such amendment, extension, renewal, restatement, supplement, modification or replacement. In the event that the Company complies with the requirements of this covenant, the Trustee and/or the Security Agent (as the case may be) shall (subject to customary protections and indemnifications) consent to any such amendment, extension, renewal, restatement, supplement, modification or replacement without the need for instructions from the holders of the Notes.



### ***The Issuer***

The Issuer will not engage in any business activity or undertake any other activity, except any activity (a) relating to the offering, sale or issuance of the Notes, Indebtedness under Credit Facilities, other Public Debt and Hedging Obligations or the incurrence of Indebtedness by the Issuer represented by the Notes, Indebtedness under Credit Facilities, other Public Debt and Hedging Obligations, (b) undertaken with the purpose of, and directly related to, fulfilling its obligations under the Notes or the Indenture, other Public Debt and Hedging Obligations (including the lending of the proceeds from the Notes, Indebtedness under Credit Facilities or other Public Debt to the Company or another Guarantor pursuant to a Funding Loan or similar loan or loans and granting Liens in respect of such loans to secure Indebtedness), or (c) directly related to the establishment and maintenance of the Issuer's corporate existence or (d) reasonably related to the foregoing. The Issuer shall not (a) incur any Indebtedness (except to the Company or a Wholly Owned Restricted Subsidiary of the Company) other than the Notes, Indebtedness under Credit Facilities, other Public Debt and Hedging Obligations, or (b) issue any Capital Stock (other than to the Company or a Wholly Owned Restricted Subsidiary of the Company), or (c) undertake any transaction that will require the Issuer to register as an "investment company" or an entity "controlled by an investment company" as defined in the U.S. Investment Company Act of 1940, as amended and the rules and regulations thereunder.

The Issuer and the Company will not, and will not permit any Restricted Subsidiary or any other Person that is an obligor under the Funding Loan, to (i) sell, dispose, encumber, prepay, repay, repurchase, redeem or otherwise acquire, reduce or retire any amounts outstanding under the Funding Loan except in connection with a redemption of outstanding Notes in a manner permitted by the Indenture, or (ii) amend, modify, supplement or waive any rights under the Funding Loan in a manner that would adversely affect the rights of the Issuer or its creditors with respect to the Funding Loan.

### ***Suspension of Certain Covenants when Notes Rated Investment Grade***

If on any date following the Issue Date, (1) the Notes are rated (a) Baa3 or better by Moody's and (b) BBB – or better by S&P (or, if either Moody's or S&P ceases to rate the Notes for reasons outside of the control of the Issuer or the Company, the equivalent investment grade credit rating from Fitch or, in the absence of such, any other "nationally recognized statistical rating organization" within the meaning of Rule 15c3-1(c)(2)(vi)(F) under the Exchange Act selected by the Issuer or the Company as a replacement agency so that the Notes are so rated by at least two such credit rating agencies); and (2) no Default or Event of Default shall have occurred and be continuing, then, beginning on that day and subject to the provisions of the following paragraph, the covenants specifically listed under the following captions in these Listing Particulars will be suspended and, in each case, any related default provision of the Indenture will cease to be effective and will not be applicable to the Company and its Restricted Subsidiaries:

- (1) "—Certain Covenants—Restricted Payments";
- (2) "—Certain Covenants—Incurrence of Indebtedness and Issuance of Preferred Stock and Disqualified Stock";
- (3) "—Certain Covenants—Dividend and Other Payment Restrictions Affecting Subsidiaries";
- (4) clause (4) of the first paragraph of the covenant described under the caption "—Certain Covenants—Merger, Consolidation or Sale of Assets";
- (5) "—Certain Covenants—Transactions with Affiliates";
- (6) "—Certain Covenants—"Limitation on Sales of Assets and Equity Interests in Restricted Subsidiaries"; and
- (7) "—Certain Covenants—Additional Note Guarantees".

During any period that the foregoing covenants have been suspended, the Company's Board of Directors may not designate any of its Subsidiaries as Unrestricted Subsidiaries pursuant to the covenant described below under the caption "—Certain Covenants—Designation of Restricted and Unrestricted Subsidiaries" or the second paragraph of the definition of "Unrestricted Subsidiary".

Notwithstanding the foregoing, if the rating assigned by any such rating agency should subsequently decline to below Baa3 or BBB – , as applicable, the foregoing covenants will be reinstituted as of and from the date of such rating decline. Such covenants will not, however, be of any effect with respect to actions properly taken during the period of suspension. Calculations under the reinstated "Restricted Payments" covenant



will be made as if the “Restricted Payments” covenant had been in effect since the Issue Date except that no default will be deemed to have occurred by reason of a Restricted Payment made while that covenant was suspended. On the rating decline date, all Indebtedness incurred during the suspension period will be classified, at the Issuer’s option, as having been incurred pursuant to the first paragraph of the covenant described under the caption “—Certain Covenants—Incurrence of Indebtedness and Issuance of Preferred Stock and Disqualified Stock” or one or more of the clauses set forth in the second paragraph of such covenant (to the extent such Indebtedness would be permitted to be incurred thereunder as of the rating decline date and after giving effect to Indebtedness incurred prior to the suspension period and outstanding on the rating decline date). To the extent that such Indebtedness would be so permitted to be incurred under the first two paragraphs of the covenant described under “—Certain Covenants—Incurrence of Indebtedness and Issuance of Preferred Stock and Disqualified Stock”, such Indebtedness will be deemed to have been outstanding on the Issue Date, so that it is classified under clause (2) of the second paragraph of the covenant described under “—Certain Covenants—Incurrence of Indebtedness and Issuance of Preferred Stock and Disqualified Stock”.

### **Reports**

The Company will post on its website and furnish to the Trustee and holders the following reports:

- (1) within 120 days after the end of the Company’s fiscal year beginning with the fiscal year ending December 31, 2013, annual reports containing a level of detail that is comparable in all material respects to the Listing Particulars and the following information: (a) audited consolidated balance sheets of the Company as of the end of the two most recent fiscal years and audited consolidated income statements and cash flow of the Company for the three most recent fiscal years, including appropriate footnotes to such financial statements, and the report of the independent auditors on the financial statements; (b) pro forma income statement and balance sheet information, together with summary explanatory footnotes, for any acquisitions or dispositions that have occurred since the beginning of the most recently completed fiscal year as to which such annual report relates if the consolidated revenues, EBITDA or assets of the Person to which such acquisition or disposition relates, represent greater than 20% of the consolidated revenues, EBITDA or assets of the Company and its Subsidiaries on a pro forma basis or recapitalizations that have occurred since the beginning of the most recently completed fiscal year as to which such annual report relates, in each case unless pro forma information has been provided in a previous report pursuant to clause (2) below (*provided* that an acquisition, disposition or recapitalization that has occurred fewer than 30 days prior to the last day of the completed fiscal year as to which such annual report relates shall be reported in the next interim report provided pursuant to this covenant); (c) to the extent relating to annual periods, an operating and financial review of the audited financial statements, including a discussion of the results of operations, financial condition, and liquidity and capital resources, and a discussion of material commitments and contingencies and critical accounting policies; (d) a description of the business, management and shareholders of the Company, all material affiliate transactions and a description of all material contractual arrangements, including material debt instruments; and (e) material risk factors and material recent developments (*provided* that, in the case of cash flow numbers, these need only be provided as an audited footnote to the financial statements referred to above);
- (2) within 60 days (or in the case of the fiscal quarter ending March 31, 2013, 90 days) following the end of the first three fiscal quarters in each fiscal year of the Company all quarterly financial statements containing the following information: (a) an unaudited condensed consolidated balance sheet as of the end of such quarter and unaudited condensed statements of income and cash flow for the most recent quarter year-to-date period ending on the unaudited condensed balance sheet date, and the comparable prior year periods, together with condensed footnote disclosure; (b) pro forma income statement and balance sheet information, together with summary explanatory footnotes, for any acquisitions or dispositions that have occurred since the beginning of the most recently completed fiscal quarter as to which such quarterly report relates if the consolidated revenues, EBITDA or assets of the Person to which such acquisition or disposition relates, represent greater than 20% of the consolidated revenues, EBITDA or assets of the Company and its Subsidiaries on a pro forma basis or recapitalizations that have occurred since the beginning of the most recently completed fiscal quarter as to which such quarterly report relates, in each case unless pro forma information has been provided in a previous report

pursuant to clause (1) or (2) below (*provided* that an acquisition, disposition or recapitalization that has occurred fewer than 30 days prior to the last day of the completed fiscal quarter as to which such quarterly report relates shall be reported in the next interim report provided pursuant to this covenant); (c) an operating and financial review of the unaudited financial statements, including a discussion of the results of operations, financial condition, and liquidity and capital resources, and a discussion of material commitments and contingencies and critical accounting policies; and (d) material recent developments and any material changes to the risk factors disclosed in the most recent annual report; and

- (3) promptly after the occurrence of a material acquisition, disposition, restructuring, senior management or board of directors changes or change in auditors, a report containing a description of such event.

All financial statement and pro forma financial information shall be prepared on a consistent basis for the periods presented and the financial statements required under clause (1) may be presented in the same format as in the Listing Particulars; *provided, however*, that the reports set forth in clauses (1), (2) and (3) above may, in the event of a change in applicable International Financial Reporting Standards, present earlier periods on a basis that applied to such periods, subject to the provisions of the Indenture. No report need include separate financial statements or financial data for any Guarantors or non-guarantor Subsidiaries of the Company; *provided* that the annual report in clause (1) shall include a statement of the aggregate percentage of the consolidated EBITDA of the Company represented by the Subsidiary Guarantors.

At any time that any of the Company's Subsidiaries are Unrestricted Subsidiaries, then the quarterly and annual financial information required by the preceding paragraph will include a reasonably detailed presentation, either on the face of the financial statements or in the footnotes thereto, and in the operating and financial review of the financial condition and results of operations of the Company and its Restricted Subsidiaries separate from the financial condition and results of operations of the Unrestricted Subsidiaries of the Company.

In addition, so long as the Notes remain outstanding and during any period during which the Company is not subject to Section 13 or 15(d) of the Exchange Act nor exempt therefrom pursuant to Rule 12g3-2(b), the Company will furnish to the holders, upon their request, the information required to be delivered pursuant to Rule 144A(d)(4) under the Securities Act.

#### **Additional Intercreditor Agreements**

At the request of the Issuer, in connection with the incurrence by the Company or its Restricted Subsidiaries of any Indebtedness permitted to be secured under the Indenture, the Company, the Issuer, the relevant Restricted Subsidiaries, the Trustee and the Security Agent shall enter into with the holders of such Indebtedness (or their duly authorized representatives) an intercreditor agreement (an "*Additional Intercreditor Agreement*") on substantially the same terms as the Intercreditor Agreement (or terms not materially less favorable to the holders (*provided* that the Trustee and the Security Agent shall have received an Officer's Certificate and an Opinion of Counsel to that effect)); *provided* that such Additional Intercreditor Agreement will not impose any personal obligations on the Trustee or the Security Agent or, in the opinion of the Trustee or the Security Agent, adversely affect the rights, duties, liabilities or immunities of the Trustee or the Security Agent, as the case may be, under the Indenture or the Intercreditor Agreement.

At the direction of the Issuer and without the consent of holders, the Trustee and the Security Agent shall from time to time enter into one or more amendments to any Intercreditor Agreement to: (1) cure any ambiguity, omission, defect or inconsistency of any such agreement, (2) increase the amount or types of Indebtedness covered by any such agreement that may be incurred by the Company or any Restricted Subsidiary that is subject to any such agreement (including with respect to any Intercreditor Agreement or Additional Intercreditor Agreement the addition of provisions relating to new Indebtedness ranking junior in right of payment to the Notes), (3) add Restricted Subsidiaries to the Intercreditor Agreement or an Additional Intercreditor Agreement, (4) secure the Notes (including Additional Notes), (5) make provision for equal and ratable pledges of the Collateral to secure Additional Notes or other Indebtedness permitted to be secured by the Indenture or (6) make any other change to any such agreement that does not adversely affect the holders in any material respect (*provided* that the Trustee and the Security Agent shall have received an Officer's Certificate and an Opinion of Counsel to that effect). The Issuer may only direct the Trustee and the Security Agent to enter into any amendment to the extent such amendment does

not impose any personal obligations on the Trustee or the Security Agent, in the opinion of the Trustee or the Security Agent, or adversely affect the rights, duties, liabilities or immunities of the Trustee under the Indenture, any Intercreditor Agreement or Additional Intercreditor Agreement.

Each holder, by accepting a Note, shall be deemed to have agreed to and accepted the terms and conditions of the Intercreditor Agreement or an Additional Intercreditor Agreement (whether then entered into or entered into in the future pursuant to the provisions described herein).

### **Events of Default and Remedies**

Each of the following is an Event of Default:

- (1) default for 30 days in the payment when due of interest on, or Additional Amounts with respect to, the Notes;
- (2) default in payment when due at maturity, upon redemption, upon repurchase, upon declaration or otherwise, of the principal of, or premium, if any, on the Notes;
- (3) failure by the Issuer or the Company or any of its Subsidiaries to comply with the provisions described under the caption “—Certain Covenants—Merger, Consolidation or Sale of Assets”;
- (4) failure by the Issuer or the Company or any of its Subsidiaries for 30 days after written notice to comply with the provisions described under the captions “—Repurchase at the Option of Holders” and “—Certain Covenants” (in each case, other than a failure to purchase Notes which will constitute an Event of Default under clause (2) above and a failure to comply with the provisions described under the caption “—Certain Covenants—Merger, Consolidation or Sale of Assets” described in clause (3) above);
- (5) failure by the Issuer or the Company or any of its Subsidiaries for 60 days after written notice to comply with any of the other agreements in the Indenture;
- (6) default under any mortgage, Indenture or instrument under which there may be issued or by which there may be secured or evidenced any Indebtedness for money borrowed by the Company or any of its Restricted Subsidiaries (or the payment of which is guaranteed by the Company or any of its Restricted Subsidiaries) whether such Indebtedness or guarantee now exists, or is created after the Issue Date, if that default:
  - (a) is caused by a failure to pay principal of, or interest or premium, if any, on such Indebtedness prior to the expiration of the grace period provided in such Indebtedness on the date of such default (a “*Payment Default*”); or
  - (b) results in the acceleration of such Indebtedness prior to its express maturity;and, in each case, the principal amount of any such Indebtedness, together with the principal amount of any other such Indebtedness under which there has been a Payment Default or the maturity of which has been so accelerated, aggregates €25 million or more;
- (7) failure by the Company or any of its Restricted Subsidiaries to pay final judgments (which are not covered by insurance as to which a claim has been submitted and the insurer has not disclaimed or indicated an intent to disclaim responsibility for the payment thereof) aggregating in excess of €25 million, which judgments are not paid, discharged or stayed for a period of 60 days;
- (8) except as permitted by the Indenture, any Note Guarantee of the Company or any Significant Subsidiary of the Notes shall be held in any judicial proceeding to be unenforceable or invalid or shall cease for any reason to be in full force and effect or any Guarantor shall deny or disaffirm in writing its obligations under its Note Guarantee;
- (9) any security interest under the Security Documents shall, at any time, cease to be in full force and effect (other than in accordance with the relevant Security Documents, the Indenture, the Intercreditor Agreement or any Additional Intercreditor Agreement) for any reason other than satisfaction in full of all obligations of the Company and its Subsidiaries under the Indenture or the release of any such security interest in accordance with the Security Documents, the Indenture, the Intercreditor Agreement or any Additional Intercreditor Agreement, or the Indenture or any security interest created pursuant to the Indenture and the Security Documents shall be declared invalid or unenforceable or the Company shall assent in writing that any such

security interest is invalid or unenforceable or any pledgor disaffirms in writing its obligations under the Security Documents and any such Default continues for 10 days;

- (10) default under any other Indebtedness that is secured by the Collateral if such default results in the creditors under such Indebtedness commencing an enforcement action of their security rights over the Collateral; and
- (11) certain events of bankruptcy or insolvency described in the Indenture with respect to the Company or any of its Restricted Subsidiaries that is a Significant Subsidiary.

In the case of an Event of Default arising from certain events of bankruptcy or insolvency, with respect to the Company, any Restricted Subsidiary that is a Significant Subsidiary or any group of Restricted Subsidiaries that, taken together, would constitute a Significant Subsidiary, all outstanding Notes will become due and payable immediately without further action or notice. If any other Event of Default occurs and is continuing, the Trustee or the holders of at least 25% in aggregate principal amount of the then outstanding Notes may declare all the Notes to be due and payable immediately.

Holders may not enforce the Indenture or the Notes except as provided in the Indenture. Subject to certain limitations, holders of a majority in principal amount of the then outstanding Notes may direct the Trustee in its exercise of any trust or power. The Trustee may withhold from holders notice of any continuing Default or Event of Default if it determines that withholding notice is in their interest, except a Default or Event of Default relating to the payment of principal, interest, or Additional Amounts.

The holders of a majority in aggregate principal amount of the Notes then outstanding by notice to the Trustee may on behalf of the holders of all of the Notes waive any existing Default or Event of Default and its consequences under the Indenture except a continuing Default or Event of Default in the payment of interest or Additional Amounts on, or the principal of, the Notes.

The Company is required to deliver to the Trustee annually a statement regarding compliance with the Indenture. Upon becoming aware of any Default or Event of Default that would give either the Trustee or the holders of at least 25% or more in aggregate principal amount of Notes then outstanding the right to declare the Notes immediately due and payable, the Issuer is required to deliver to the Trustee a statement specifying such Default or Event of Default.

#### **No Personal Liability of Directors, Officers, Employees and Stockholders**

No director, officer, employee, incorporator or stockholder of the Issuer, the Company or any other Guarantor, as such, will have any liability for any obligations of the Issuer, the Company or the other Guarantors under the Notes, the Indenture or the Note Guarantees or for any claim based on, in respect of, or by reason of, such obligations or their creation. Each holder by accepting a Note waives and releases all such liability. The waiver and release are part of the consideration for issuance of the Notes. The waiver may not be effective to waive liabilities under the federal securities laws of the United States.

#### **Legal Defeasance and Covenant Defeasance**

The Issuer may, at its option or the option of the Company, and at any time, elect to have all of its obligations discharged with respect to the outstanding Notes and all obligations of the Company and any other Guarantors discharged with respect to their Note Guarantees ("*Legal Defeasance*") except for:

- (1) the rights of holders of outstanding Notes to receive payments in respect of the principal of, or interest or premium, and Additional Amounts, if any, on such Notes when such payments are due from the trust referred to below;
- (2) the Issuer's obligations with respect to the Notes concerning issuing temporary Notes, registration of Notes, mutilated, destroyed, lost or stolen Notes and the maintenance of an office or agency for payment and money for security payments held in trust;
- (3) the rights, powers, trusts, duties and immunities of the Trustee, and the Issuer's, the Company's and any other Guarantor's obligations in connection therewith; and
- (4) the Legal Defeasance provisions of the Indenture.

In addition, the Issuer may, at its option or the option of the Company, and at any time, elect to have the obligations of the Issuer, the Company and any other Guarantors released with respect to certain covenants that are described in the Indenture (“*Covenant Defeasance*”) and thereafter any omission to comply with those covenants will not constitute a Default or Event of Default with respect to the Notes. In the event Covenant Defeasance occurs, certain events (not including non-payment, bankruptcy, receivership, rehabilitation and insolvency events) described under “—Events of Default and Remedies” will no longer constitute an Event of Default with respect to the Notes.

In order to exercise either Legal Defeasance or Covenant Defeasance:

- (1) the Issuer must irrevocably deposit or cause to be deposited with the Trustee, in trust, for the benefit of the holders of the Notes, cash in U.S. Dollars, non-callable U.S. Government Securities, or a combination of cash in U.S. Dollars and non-callable U.S. Government Securities (in the case of the Dollar Notes) and cash in euros, non-callable European Government Obligations, or a combination of cash in euros and non-callable European Government Obligations (in the case of the Euro Notes), in amounts as will be sufficient, in the opinion of an internationally recognized firm of independent public accountants, to pay the principal of, or interest and premium, and Additional Amounts, if any, on the outstanding Notes on the stated maturity or on the applicable redemption date, as the case may be, and the Issuer must specify whether the Notes are being defeased to maturity or to a particular redemption date;
- (2) in the case of Legal Defeasance, the Issuer has delivered to the Trustee an opinion of counsel reasonably acceptable to the Trustee confirming that (a) the Issuer has received from, or there has been published by, the United States Internal Revenue Service a ruling or (b) since the Issue Date, there has been a change in the applicable federal income tax law, in either case to the effect that, and based thereon such opinion of counsel will confirm that, the holders of the outstanding Notes will not recognize income, gain or loss for federal income tax purposes as a result of such Legal Defeasance and will be subject to federal income tax on the same amounts, in the same manner and at the same times as would have been the case if such Legal Defeasance had not occurred;
- (3) in the case of Covenant Defeasance, the Issuer has delivered to the Trustee an opinion of counsel reasonably acceptable to the Trustee confirming that the holders of the outstanding Notes will not recognize income, gain or loss for United States federal income tax purposes as a result of such Covenant Defeasance and will be subject to United States federal income tax on the same amounts, in the same manner and at the same times as would have been the case if such Covenant Defeasance had not occurred;
- (4) no Default or Event of Default has occurred and is continuing on the date of such deposit (other than a Default or Event of Default resulting from the borrowing of funds to be applied to such deposit);
- (5) such Legal Defeasance or Covenant Defeasance will not result in a breach or violation of, or constitute a default under any material agreement or instrument (other than the Indenture) to which the Issuer, the Company or any of its Restricted Subsidiaries is a party or by which the Issuer, the Company or any of its Restricted Subsidiaries is bound;
- (6) the Issuer must deliver to the Trustee an officers’ certificate stating that the deposit was not made or caused to be made by the Issuer with the intent of preferring the holders over the other creditors of the Issuer or of the Company with the intent of defeating, hindering, delaying or defrauding creditors of the Issuer or the Company or others; and
- (7) the Issuer must deliver to the Trustee an Officer’s Certificate and an Opinion of Counsel, each stating that all conditions precedent relating to the Legal Defeasance or the Covenant Defeasance have been complied with.

#### **Amendment, Supplement and Waiver**

Except as provided in the next two succeeding paragraphs, the Indenture, the Notes, the Note Guarantees, the Intercreditor Agreement, any Additional Intercreditor Agreement or the Security Documents may be amended or supplemented with the consent of the holders of at least a majority in principal amount of the Notes then outstanding (including, without limitation, consents obtained in connection with a purchase of, or tender offer or exchange offer for, Notes), and any existing default or compliance with any provision of



the Indenture, the Notes, the Note Guarantees, the Intercreditor Agreement, any Additional Intercreditor Agreement or the Security Documents may be waived with the consent of the holders of a majority in principal amount of the then outstanding Notes (including, without limitation, consents obtained in connection with a purchase of, or tender offer or exchange offer for, Notes). For so long as the Notes are listed on the Official List of the Luxembourg Stock Exchange and traded on the Euro MTF Market and the rules of this exchange so require, the Issuer will inform the Luxembourg Stock Exchange and publish a notice of any such amendment, supplement or waiver in a newspaper having a general circulation in Luxembourg (currently expected to be the *Luxemburger Wort*) or the website of the Luxembourg Stock Exchange ([www.bourse.lu](http://www.bourse.lu)).

Without the consent of holders of at least 90% of the aggregate principal amount of then outstanding Notes affected (including, without limitation, consents obtained in connection with a purchase of, or tender offer or exchange offer for, the Notes), an amendment or waiver may not (with respect to any Notes held by a non-consenting holder):

- (1) reduce the principal amount of Notes whose holders must consent to an amendment, supplement or waiver;
- (2) reduce the principal of or change the fixed maturity of any Note or alter the provisions with respect to the redemption of the Notes (other than provisions relating to the covenants described above under the captions “—Repurchase at the Option of Holders” and “—Certain Covenants—Limitation on Sales of Assets and Equity Interests in Restricted Subsidiaries”);
- (3) reduce the rate of or change the time for payment of interest on any Note;
- (4) waive a Default or Event of Default in the payment of principal of, or interest, premium, or Additional Amounts, if any, on the Notes (except a rescission of acceleration of the Notes by the holders of at least a majority in aggregate principal amount of the Notes and a waiver of the payment default that resulted from such acceleration);
- (5) make any Note payable in money other than that stated in the Notes;
- (6) make any change in the provisions of the Indenture relating to waivers of past Defaults or the rights of holders of Notes to receive payments of principal of, or interest, premium, or Additional Amounts, if any, on the Notes;
- (7) waive a redemption payment with respect to any Note (other than a payment required by one of the covenants described above under the captions “—Repurchase at the Option of Holders” and “—Certain Covenants—Limitation on Sales of Assets and Equity Interests in Restricted Subsidiaries”);
- (8) release the Company or any other Guarantor from any of its obligations under its Note Guarantee or the Indenture, except in accordance with the terms of the Indenture;
- (9) release the security interest granted for the benefit of the holders of the Notes in the Collateral other than in accordance with the terms of the Security Documents, the Intercreditor Agreement or any Additional Intercreditor Agreement or as otherwise permitted by the Indenture; or
- (10) make any change in the preceding amendment and waiver provisions.

Notwithstanding the preceding, without the consent of any holder of Notes, the Issuer, the Company and the other Guarantors and the Trustee and the other parties thereto may amend or supplement the Indenture, the Notes or the Note Guarantees, the Intercreditor Agreement, any Additional Intercreditor Agreement or the Security Documents:

- (1) to cure any ambiguity, omission, defect or inconsistency;
- (2) to provide for uncertificated Notes in addition to or in place of Definitive Registered Notes;
- (3) to provide for the assumption of the Issuer’s or a Guarantor’s obligations to holders in the case of a merger or consolidation or sale of all or substantially all of the Issuer’s or such Guarantor’s assets;
- (4) to make such changes as are necessary to provide for the issuance of Additional Notes in compliance with the covenants described herein (including for the issuance of Additional Notes denominated in a currency different from the currency of the initially issued Notes), or to add guarantees in favor of the Notes;

- (5) to mortgage, pledge, hypothecate or grant security interest in favor of the Security Agent to the extent necessary to grant a security interest for the benefit of any Person; *provided* that the granting of such security interest is not prohibited by the Indenture and the covenant described under “—Certain Covenants—Impairment of Security Interest” is complied with;
- (6) to conform the text of the Indenture, the Note Guarantees, the Security Documents or the Notes to any provision of this “Description of the Notes” to the extent that such provision in this “Description of the Notes” was intended to be a verbatim recitation of a provision of the Indenture, the Security Documents, the Note Guarantees or the Notes;
- (7) to add additional assets or property as Collateral;
- (8) to evidence and provide the acceptance of the appointment of a successor Trustee or Security Agent under the Indenture, the Security Documents, the Intercreditor Agreement or any Additional Intercreditor Agreement;
- (9) as provided under “—Additional Intercreditor Agreements”;
- (10) to confirm and evidence the release, termination, discharge or retaking of any guarantee or Lien (including the Collateral and the Security Documents) with respect to or securing the Notes when such release, termination, discharge or retaking is provided for under the Indenture, the Security Documents, the Intercreditor Agreement or any Additional Intercreditor Agreement; or
- (11) to make any change that would provide any additional rights or benefits to the holders or that does not adversely affect the legal rights under the Indenture of any such holder in any material respect.

### **Satisfaction and Discharge**

The Indenture will be discharged and will cease to be of further effect as to all Notes issued thereunder, when:

- (1) either:
  - (a) all Notes that have been authenticated, except lost, stolen or destroyed Notes that have been replaced or paid and Notes for whose payment money has been deposited in trust and thereafter repaid to the Issuer, have been delivered to the Trustee for cancellation; or
  - (b) all Notes that have not been delivered to the Trustee for cancellation have become due and payable by reason of the mailing of a notice of redemption or otherwise or will become due and payable within one year and the Issuer, the Company or any other Guarantor has irrevocably deposited or caused to be deposited with the Trustee as trust funds in trust solely for the benefit of the holders, cash in euros, non-callable European Government Obligations, or a combination of cash in euros and non-callable European Government Obligations (in the case of the Euro Notes), or cash in U.S. Dollars, non-callable U.S. Government Securities, or a combination of cash in U.S. Dollars and non-callable U.S. Government Securities (in the case of the Dollar Notes), in an aggregate amount as will be sufficient without consideration of any reinvestment of interest, to pay and discharge the entire indebtedness on the Notes not delivered to the Trustee for cancellation for principal, premium, Additional Amounts, if any, and accrued interest to the date of maturity or redemption;
- (2) no Default or Event of Default has occurred and is continuing on the date of such deposit or will occur as a result of such deposit and such deposit will not result in a breach or violation of, or constitute a default under, any other instrument to which the Issuer, the Company or any other Guarantor is a party or by which the Issuer, the Company or any other Guarantor is bound;
- (3) the Issuer, the Company or any other Guarantor has paid or caused to be paid all sums payable by it under the Indenture; and
- (4) the Issuer has delivered irrevocable instructions to the Trustee under the Indenture to apply the deposited money toward the payment of the Notes at maturity or the redemption date, as the case may be.

In addition, the Issuer must deliver an officers’ certificate and an opinion of counsel to the Trustee stating that all conditions precedent to satisfaction and discharge have been satisfied.

### **Concerning the Trustee**

If the Trustee becomes a creditor of the Issuer, the Company or any other Guarantor, the Indenture limits its right to obtain payment of claims in certain cases, or to realize on certain property received in respect of any such claim as security or otherwise. The Trustee will be permitted to engage in other transactions; however, if it acquires any conflicting interest it must eliminate such conflict within 90 days or resign. If the Trustee becomes the owner or pledgee of the Notes it may deal with the Issuer with the same rights it would have if it were not the Trustee, Paying Agent, Registrar or such other agent.

The holders of a majority in principal amount of the then outstanding Notes will have the right to direct the time, method and place of conducting any proceeding for exercising any remedy available to the Trustee, subject to certain exceptions. The Indenture provides that in case an Event of Default occurs and is continuing, the Trustee will be required, in the exercise of its power, to use the degree of care of a prudent man in the conduct of his own affairs. The Trustee undertakes to perform such duties and only such duties as are specifically set forth in the Indenture, and no implied covenants or obligations can be read into the Indenture against the Trustee. The Trustee will be under no obligation to exercise any of its rights or powers under the Indenture at the request of any holder of Notes, unless such holder has offered to the Trustee security and indemnity satisfactory to it against any loss, liability or expense.

### **Judgment Currency**

Any payment on account of an amount that is payable in U.S. Dollars, with respect to the Dollar Notes, and euros, with respect to the Euro Notes (each a “*Required Currency*”) which is made to or for the account of any holder of a Note in lawful currency of any other jurisdiction (the “*Other Currency*”) whether as a result of any judgment or order or the enforcement thereof or the realization of any security or the liquidation of any of the Issuer, Company or any other Guarantor shall constitute a discharge of the Issuer’s, Company’s or such Guarantor’s obligation under the Indenture, the Notes or, the Note Guarantees, as the case may be, only to the extent of the amount of the Required Currency which such holder could purchase in the New York foreign exchange markets with the amount of the Other Currency in accordance with normal banking procedures at the rate of exchange prevailing on the first day (other than a Saturday or Sunday) on which banks in New York, are generally open for business following receipt of the payment first referred to above. If the amount of the Required Currency that could be so purchased is less than the amount of the Required Currency originally due to such holder, the Issuer, Company or such other Guarantor, as the case may be, shall indemnify and save harmless such holder from and against all loss or damage arising out of or as a result of such deficiency. This indemnity shall constitute an obligation separate and independent from the other obligations contained in the Indenture, the Notes or the Note Guarantees, shall give rise to a separate and independent cause of action, shall apply irrespective of any indulgence granted by any holder of a Note from time to time and shall continue in full force and effect notwithstanding any judgment or order for a liquidated sum in respect of an amount due hereunder or under any judgment or order.

### **Consent to Jurisdiction and Service of Process**

The Indenture will provide that the Issuer and each Guarantor will appoint Gestamp Automoción, 2701 Troy Center Drive, Suite 150, Troy, MI 48084, USA as its agent for service of process in any suit, action or proceeding with respect to the Indenture, the Notes and the Note Guarantees brought in any federal or state court located in the City of New York and will submit to such jurisdiction.

### **Additional Information**

Anyone who receives these Listing Particulars may obtain a copy of the Indenture without charge at the registered office of the Issuer and at the offices of the Paying Agent, Deutsche Bank AG, London Branch (for the Euro notes) and Deutsche Bank Trust Company Americas (for the Dollar notes), or by writing to Deutsche Bank Luxembourg, S.A.

### **Governing Law**

The Indenture, the Notes, the Note Guarantees, and the Funding Loan are governed by the laws of the State of New York.

## Certain Definitions

Set forth below are certain defined terms used in the Indenture. Reference is made to the Indenture for a full disclosure of all such terms, as well as any other capitalized terms used herein for which no definition is provided.

“*Acquired Debt*” means, with respect to any specified Person:

- (1) Indebtedness of any other Person existing at the time such other Person is merged with or into or became a Subsidiary of such specified Person, whether or not such Indebtedness is incurred in connection with, or in contemplation of, such other Person merging with or into, or becoming a Subsidiary of, such specified Person; and
- (2) Indebtedness secured by a Lien encumbering any asset acquired by such specified Person.

“*Additional Funding Loan*” means each loan on substantially the same terms as the Funding Loan, between the Issuer, as obligee, and the Company, as obligor, in the amount of the gross proceeds received by the Issuer from the issue of Additional Notes.

“*Affiliate*” of any specified Person means any other Person directly or indirectly controlling or controlled by or under direct or indirect common control with such specified Person and, in the case of any natural Person, any Immediate Family Member of such Person. For purposes of this definition, “control,” as used with respect to any Person, means the possession, directly or indirectly, of the power to direct or cause the direction of the management or policies of such Person, whether through the ownership of voting securities, by agreement or otherwise; *provided* that beneficial ownership of 10% or more of the Voting Stock of a Person will be deemed to be control. For purposes of this definition, the terms “controlling,” “controlled by” and “under common control with” shall have correlative meanings.

“*Applicable Premium*” means, (1) with respect to a Dollar Note at any redemption date, the greater of (a) 1% of the principal amount of such Dollar Note at such time and (b) the excess of (A) the present value at such time of (i) the redemption price of such Dollar Note on May 31, 2016 (such redemption price being described in the table appearing in the second paragraph under the caption “—Optional Redemption” exclusive of any accrued interest to such redemption date), plus (ii) any required interest payments due on such Dollar Note through and including May 31, 2016 (excluding accrued but unpaid interest to the date of redemption), computed using a discount rate equal to the Treasury Rate plus 50 basis points, over (B) the principal amount of such Dollar Note and (2) with respect to a Euro Note at any redemption date, the greater of (a) 1% of the principal amount of such Euro Note at such time and (b) the excess of (A) the present value at such time of (i) the redemption price of such Euro Note on May 31, 2016 (such redemption price being described in the table appearing in the second paragraph under the caption “—Optional Redemption” exclusive of any accrued interest to such redemption date), plus (ii) any required interest payments due on such Euro Note through and including May 31, 2016 (excluding accrued but unpaid interest to the date of redemption), computed using a discount rate equal to the Bund Rate plus 50 basis points, over (B) the principal amount of such Euro Note.

“*Arcelor Mittal Group*” means Arcelor Mittal S.A. and its Subsidiaries

“*Asset Sale*” means:

- (1) the sale, lease, conveyance or other disposition of any assets, other than sales of inventory in the ordinary course of business; *provided* that the sale, conveyance or other disposition of all or substantially all of the assets of the Company and its Restricted Subsidiaries taken as a whole will be governed by the provisions of the Indenture described above under the caption “—Repurchase at the Option of Holders—Change of Control” and/or the provisions described above under the caption “—Certain Covenants—Merger, Consolidation or Sale of Assets” and not by the provisions of “—Certain Covenants—Limitation on Sales of Assets and Equity Interests in Restricted Subsidiaries”; and
- (2) the issuance of Capital Stock in any of the Company’s Restricted Subsidiaries or the sale by the Company or any of its Restricted Subsidiaries of Capital Stock in any of their respective Restricted Subsidiaries.

Notwithstanding the preceding, the following items will not be deemed to be Asset Sales:

- (1) any single transaction or series of related transactions that involves assets having a Fair Market Value of less than €10 million;

- (2) a transfer of assets between or among the Company and its Restricted Subsidiaries;
- (3) an issuance of Equity Interests by a Restricted Subsidiary of the Company to the Company or to another Restricted Subsidiary of the Company;
- (4) the sale, lease, assignment or sublease of equipment, inventory, accounts receivable or other assets in the ordinary course of business;
- (5) the sale or other disposition of cash or Cash Equivalents;
- (6) a Restricted Payment that is permitted by the covenant described above under the caption “—Certain Covenants—Restricted Payments”;
- (7) a Permitted Investment;
- (8) a disposition of obsolete or worn-out equipment or equipment that is no longer useful in the conduct of the business of the Company and its Restricted Subsidiaries in the ordinary course of business;
- (9) the grant of licenses of intellectual property rights to third parties in the ordinary course of business;
- (10) the disposal or abandonment of intellectual property that is no longer economically practicable to maintain or which is no longer required for the business of the Company and its Restricted Subsidiaries;
- (11) sales or dispositions of Receivables in connection with any factoring transaction arising in the ordinary course of business pursuant to customary arrangements; *provided* that any Indebtedness incurred in relation thereto is permitted to be incurred by clause (13) of the second paragraph of the covenant described under “—Certain Covenants—Incurrence of Indebtedness and Issuance of Disqualified Stock and Preferred Stock”;
- (12) a disposition by way of the granting of a Permitted Lien or foreclosures on assets.

“Associate” means (i) any Person engaged in a Permitted Business of which the Company or its Restricted Subsidiaries are the legal and beneficial owners of between 20% and 50% of all outstanding Voting Stock and (ii) any joint venture engaged in a Permitted Business entered into by the Company or any Restricted Subsidiary of the Issuer.

“Beneficial Owner” has the meaning assigned to such term in Rule 13d-3 and Rule 13d-5 under the Exchange Act, except that in calculating the beneficial ownership of any particular “person” (as that term is used in Section 13(d)(3) of the Exchange Act), such “person” will be deemed to have beneficial ownership of all securities that such “person” has the right to acquire by conversion or exercise of other securities, whether such right is currently exercisable or is exercisable only upon the occurrence of a subsequent condition. The terms “Beneficially Owns” and “Beneficially Owned” have a corresponding meaning.

“Board of Directors” means:

- (1) with respect to a corporation, the board of directors of the corporation;
- (2) with respect to a partnership, the board of directors of the general partner of the partnership; and
- (3) with respect to any other Person, the board or committee of such Person serving a similar function.

“Bund Rate” means, with respect to any relevant date, the rate per annum equal to the equivalent yield to maturity as of such date of the Comparable German Bund Issue, assuming a price for the Comparable German Bund Issue (expressed as a percentage of its principal amount) equal to the Comparable German Bund Price for such relevant date, where:

- (1) “Comparable German Bund Issue” means the German Bundesanleihe security selected by any Reference German Bund Dealer as having a fixed maturity most nearly equal to the period from such redemption date to May 31, 2016, and that would be utilized at the time of selection and in accordance with customary financial practice, in pricing new issues of euro-denominated corporate debt securities in a principal amount approximately equal to the then outstanding principal amount of the Notes and of a maturity most nearly equal to May 31, 2016; *provided*,



however, that, if the period from such redemption date to May 31, 2016 is less than one year, a fixed maturity of one year shall be used;

- (2) “*Comparable German Bund Price*” means, with respect to any relevant date, the average of all Reference German Bund Dealer Quotations for such date (which, in any event, must include at least two such quotations), after excluding the highest and lowest such Reference German Bund Dealer Quotations, or if the Company obtains fewer than four such Reference German Bund Dealer Quotations, the average of all such quotations;
- (3) “*Reference German Bund Dealer*” means any dealer of German Bundesanleihe securities appointed by the Company in consultation with the Trustee; and
- (4) “*Reference German Bund Dealer Quotations*” means, with respect to each Reference German Bund Dealer and any relevant date, the average as determined by the Company of the bid and offered prices for the Comparable German Bund Issue (expressed in each case as a percentage of its principal amount) quoted in writing to the Company by such Reference German Bund Dealer at 3:30 p.m. Frankfurt, Germany, time on the third business day preceding the relevant date.

“*Capital Lease Obligation*” means, at the time any determination is to be made, the amount of the liability in respect of a capital lease that would at that time be required to be capitalized and reflected as a liability on a balance sheet (excluding the footnotes thereto) in accordance with GAAP.

“*Capital Stock*” means:

- (1) in the case of a corporation, ordinary shares, preferred stock, corporate stock, share capital, acciones, participaciones or other participation in the share capital of such corporation;
- (2) in the case of an association or business entity, any and all shares, interests, participations, rights or other equivalents (however designated) of corporate stock;
- (3) in the case of a partnership or limited liability company, partnership or membership interests (whether general or limited); and
- (4) any other interest or participation that confers on a Person the right to receive a share of the profits and losses of, or distributions of assets of, the issuing Person.

“*Cash Equivalents*” means:

- (1) (a) euros or U.S. dollars or, (b) in respect of any Restricted Subsidiary of the Company, its local currency;
- (2) securities or marketable direct obligations issued by or directly and fully guaranteed or insured by the government of a member of the European Union, the United States, Canada, Switzerland or Japan having maturities of not more than twelve months from the date of acquisition;
- (3) certificates of deposit and eurodollar time deposits with maturities of twelve months or less from the date of acquisition, bankers’ acceptances with maturities not exceeding twelve months and overnight bank deposits, in each case, with any domestic commercial bank having capital and surplus in excess of €500 million;
- (4) repurchase obligations and reverse repurchase obligations with a term of not more than 30 days for underlying securities of the types described in clauses (2) and (3) above entered into with any financial institution meeting the qualifications specified in clause (3) above;
- (5) commercial paper having at the time of acquisition thereof at least P-1 by Moody’s or at least A-1 by S&P and in each case maturing within twelve months after the date of acquisition;
- (6) Indebtedness or preferred stock issued by Persons with a ranking of “A” or higher from S&P or “A2” or higher from Moody’s; and
- (7) money market funds at least 95% of the assets of which constitute Cash Equivalents of the kinds described in clauses (1) through (6) of this definition.

“*Change of Control*” means the occurrence of any of the following:

- (1) the direct or indirect sale, transfer, conveyance or other disposition (other than by way of merger or consolidation), in one or a series of related transactions, of all or substantially all of the properties or assets of the Company and its Restricted Subsidiaries taken as a whole to another

“person” (as that term is used in Section 13(d)(3) of the Exchange Act) (other than a “person” that is controlled by one or more Permitted Holders);

- (2) the adoption of a plan relating to the liquidation or dissolution of the Issuer or the Company, except as part of a merger, a consolidation, or a sale, assignment, transfer conveyance or other disposition of all or substantially all of the properties or assets of the Company and its Restricted Subsidiaries permitted under “—Certain Covenants—Merger, Consolidation or Sale of Assets”;
- (3) the consummation of any transaction (including, without limitation, any merger or consolidation) the result of which is that any “person” (as defined in clause (1) above) or any “group” (as that term is used in Section 14(d) of the Exchange Act), other than the Permitted Holders, becomes the Beneficial Owner, directly or indirectly, of more than 50% of the Voting Stock of the Company, measured, by voting power rather than number of shares;
- (4) the first day on which a majority of the members of the Board of Directors of the Company are not Continuing Directors; or
- (5) except as the result of a merger with and into the Company, the first day on which the Company (or any successor entity thereof) ceases to own, directly or indirectly, 100% of the outstanding Capital Stock of the Issuer.

“*Consolidated EBITDA*” means, with respect to any specified Person for any period, the Consolidated Net Income of such Person for such period plus (without duplication to the extent reflected in the calculation of Consolidated Net Income):

- (1) provision for taxes or other similar payments based on income or profits, property taxes, annual fees or other duties or taxation on activities of such Person and its Restricted Subsidiaries for such period, to the extent that such provision for taxes was deducted in computing such Consolidated Net Income; plus
- (2) Consolidated Interest Expense of such Person and its Restricted Subsidiaries, changes in fair value in financial instruments and exchange gains and losses, for such period, to the extent that any such expense was deducted in computing such Consolidated Net Income; plus
- (3) depreciation, amortization (including amortization of goodwill and other intangibles but excluding amortization of prepaid cash expenses that were paid in a prior period) and other non-cash expenses (excluding any such non-cash expense to the extent that it represents an accrual of or reserve for cash expenses in any future period or amortization of a prepaid cash expense that was paid in a prior period) of such Person and its Restricted Subsidiaries for such period to the extent that such depreciation, amortization and other non-cash expenses were deducted in computing such Consolidated Net Income; minus
- (4) non-cash items increasing such Consolidated Net Income for such period, other than the accrual of revenue in the ordinary course of business; plus
- (5) costs and expenses associated with the offering and sale of the Notes,

in each case, on a consolidated basis and determined in accordance with GAAP.

“*Consolidated Interest Expense*” means, with respect to any Person for any period, the sum, without duplication, of (1) the consolidated interest expense (net of interest income) of such Person and its Restricted Subsidiaries for such period, whether paid or accrued (including, without limitation, amortization of original issue discount, Additional Amounts, non-cash interest payments, the interest component of any deferred payment obligations (which shall be deemed to be equal to the principal of any such payment obligation less the amount of such principal discounted to net present value at an interest rate (equal to the interest rate on one-year EURIBOR at the date of determination) on an annualized basis), the interest component of all payments associated with Capital Lease Obligations, commissions, discounts and other fees and charges incurred in respect of letter of credit or bankers’ acceptance financings, and net payments (if any) pursuant to Hedging Obligations), (2) the consolidated interest expense of such Person and its Restricted Subsidiaries that was capitalized during such period (but excluding such interest on Subordinated Shareholder Debt that was capitalized during such period), (3) any interest expense on Indebtedness of another Person that is guaranteed by such Person or one of its Restricted Subsidiaries or secured by a Lien on assets of such Person or one of its Restricted Subsidiaries (whether or not such guarantee or Lien is called upon) and (4) all dividend payments on any series of

preferred stock of such Person or any of its Restricted Subsidiaries, in each case, on a consolidated basis and in accordance with GAAP.

*“Consolidated Net Income”* means, with respect to any specified Person for any period, the aggregate of the Net Income of such Person and its Restricted Subsidiaries for such period, on a consolidated basis, determined in accordance with GAAP; *provided that*:

- (1) the Net Income (but not loss) of any Person that is not a Restricted Subsidiary or that is accounted for by the equity method of accounting will be included only to the extent of the amount of dividends or distributions paid in cash to the specified Person, or a Restricted Subsidiary of the Person;
- (2) for the purposes of the covenant described under “—Certain Covenants—Limitation on Restricted Payments”, the Net Income of any Restricted Subsidiary shall be excluded to the extent that the declaration or payment of dividends or similar distributions by that Restricted Subsidiary of that Net Income is not at the date of determination permitted without any prior governmental approval (that has not been obtained) or, directly or indirectly, by operation of the terms of its charter or any agreement, instrument, judgment, decree, order, statute, rule or governmental regulation (based, for purposes of Spanish legal reserve requirements, on the reserve status as of the determination thereof at the most recent meeting of stockholders of the applicable Restricted Subsidiary) applicable to that Restricted Subsidiary or its stockholders, unless, in each case, such restriction has (a) been legally waived, or (b) constitutes a restriction described in clauses (1), (2), (9), (10), (11) and (13) of the second paragraph of the covenant “Dividend and Other Payment Restrictions Affecting Subsidiaries”;
- (3) the Net Income of any Person acquired in a pooling of interests transaction for any period prior to the date of such acquisition will be excluded;
- (4) the cumulative effect of a change in accounting principles shall be excluded;
- (5) any net after tax gain or loss (a) realized in connection with any disposal of assets other than in the ordinary course, disposal of businesses and the disposal of any securities by the Company or any of its Restricted Subsidiaries or the extinguishment or forgiveness of any Indebtedness, or (b) arising from discontinued operations, shall be excluded;
- (6) any goodwill or other intangible asset amortization or impairment charge, shall be excluded;
- (7) any extraordinary, exceptional, unusual or non-recurring gain, loss, change or expense, or charges in reserves in respect of any restructuring, redundancy or severance, shall be excluded; and
- (8) the impact of any capitalized interest (including accreting or pay-in-kind interest) on any Subordinated Shareholder Debt, shall be excluded.

For purposes of clause (2) above, the net income of a Restricted Subsidiary that could have or actually distributed such net income to the relevant Person shall be included in such net income.

*“Consolidated Net Indebtedness”* means, with respect to any Person, (1) the sum of the aggregate outstanding Indebtedness of that Person and its Restricted Subsidiaries as of the relevant date calculation less (2) the sum of (a) the amount of cash and Cash Equivalents plus (b) Financial Assets plus (c) the aggregate amount of non-interest bearing Indebtedness and loans and grants from public authorities of that Person and its Restricted Subsidiaries, in each case that would be stated on the balance sheet of such Person and its Restricted Subsidiaries as of such date, in each case, on a consolidated basis in accordance with GAAP.

*“Consolidated Net Non-Guarantor Indebtedness”* means (1) the sum of the aggregate outstanding Indebtedness of the Company and its Restricted Subsidiaries as of the relevant date of calculation less (2) the sum of (a) the aggregate outstanding Indebtedness incurred solely by the Issuer and/or a Guarantor as of the relevant date of calculation, plus (b) the amount of cash and Cash Equivalents to the extent held by the Restricted Subsidiaries of the Company who are neither Guarantors nor the Issuer. Consolidated Net Non-Guarantor Indebtedness will be determined on the basis of the balance sheet of the Company and its Restricted Subsidiaries as of such date on a consolidated basis in accordance with GAAP and without regard for any Indebtedness of the Company or a Restricted Subsidiary owed to the Company or a Restricted Subsidiary. For the avoidance of doubt, to the extent any Restricted Subsidiary that is not a Guarantor or the Issuer is a joint obligor with respect to any such Indebtedness, Consolidated Net Indebtedness shall not be reduced by the amount of such Indebtedness pursuant to this definition.

“*Continuing Directors*” means, as of any date of determination, any member of the Board of Directors of the Company who:

- (1) was a member of such Board of Directors on the Issue Date; or
- (2) was nominated for election or elected to such Board of Directors with the approval of either (a) a majority of the Continuing Directors who were members of such Board of Directors at the time of such nomination or election or (b) the Principals and their respective Related Parties for so long as they own more than 50% of the Voting Stock of the Company.

“*Credit Facilities*” means, one or more debt facilities or commercial paper facilities, in each case with banks, other institutional lenders or governmental lending agencies providing for revolving credit loans, bonds, notes, debt securities, term loans, Receivables financing (including through the sale of Receivables to such lenders or to special purpose entities formed to borrow from such lenders against such Receivables) or letters of credit, including the Senior Credit Facilities, in each case, as amended, restated, modified, renewed, refunded, replaced or refinanced in whole or in part from time to time by such debt facilities or commercial paper facilities and, in each case, including all agreements, indentures, instruments, purchase agreements and documents executed and delivered pursuant to or in connection with the foregoing (including any letters of credit issued pursuant thereto and any guarantee and collateral agreement, patent and trademark security agreement, mortgages or letter of credit applications and other guarantees, pledges, agreements, security agreements and collateral documents). Without limiting the generality of the foregoing, the term “Credit Facilities” shall include any agreement or instrument (i) changing the maturity of any Indebtedness incurred thereunder, (ii) adding Subsidiaries of the Company as additional borrowers, issuers or guarantors thereunder, (iii) increasing the amount of Indebtedness incurred thereunder or available to be borrowed thereunder or (iv) otherwise altering the terms and conditions thereof.

“*Default*” means any event that is, or with the passage of time or the giving of notice or both would be, an Event of Default.

“*Designated Existing Indebtedness*” means Indebtedness incurred under (a) a facility agreement, dated March 21, 2012, entered into by, amongst others, by the Company and Bank of America, N.A., Sucursal en España (BAML) for a maximum amount of €60.0 million, (b) three facility agreements, dated May 26, 2011, entered into by, amongst others, Gestamp Griwe Synrode GmbH, Gestamp Griwe Westerburg GmbH and Gestamp Griwe Hot stamping GmbH and IKB for a maximum amount of €9.2 million, €12.5 million and €5.2 million, respectively, and one facility agreement dated July 16, 2012 and entered into by, amongst others, GMF Umformtechnik GmbH and IKB for a maximum amount of €25,000,000, (c) a facility agreement dated December 1, 2011 entered into between, amongst others, Gestamp Metalbages S.A. and Société Générale, S.A. for a maximum amount of €104.0 million and (d) the ICO Loan Facility.

“*Disqualified Stock*” means any Capital Stock that, by its terms (or by the terms of any security into which it is convertible, or for which it is exchangeable, in each case at the option of the holder of the Capital Stock), or upon the happening of any event, matures or is mandatorily redeemable, pursuant to a sinking fund obligation or otherwise, or redeemable at the option of the holder of the Capital Stock, in whole or in part, on or prior to the date that is 365 days after the date on which the Notes mature. Notwithstanding the preceding sentence, any Capital Stock that would constitute Disqualified Stock solely because the holders of the Capital Stock have the right to require the Company to repurchase such Capital Stock upon the occurrence of a Change of Control or an Asset Sale will not constitute Disqualified Stock if the terms of such Capital Stock provide that the Company may not repurchase or redeem any such Capital Stock pursuant to such provisions unless such repurchase or redemption complies with the covenant described above under the caption “—Certain Covenants—Restricted Payments”.

“*EIB Loan Facility*” means a facility agreement dated June 27, 2011 entered into, amongst others, by Corporación Gestamp S.L., as borrower, and European Investment Bank, as lender, for a maximum principal amount of €108.4 million.

“*Equity Interests*” means Capital Stock and all warrants, options or other rights to acquire Capital Stock (but excluding any debt security that is convertible into, or exchangeable for, Capital Stock).

“*Equity Offering*” means any public or private sale of Equity Interests of the Company or a Parent Company (other than Disqualified Stock) whereby the Company or a Parent Company receives gross proceeds, together with the gross proceeds received by the Company or a Parent Company in any prior



public or private sale of such Equity Interest, of not less than €100 million, other than public offerings with respect to common stock of the Company or a Parent Company registered on Form S-8 but, in the case of any such offering by a Parent Company, only to the extent the net cash proceeds thereof are contributed as Subordinated Shareholder Debt or to the equity (other than through the issuance of Disqualified Stock) of the Company.

*“Euro Equivalent”* means, with respect to any monetary amount in a currency other than the euro, at any time for the determination thereof, the amount of euro obtained by converting such foreign currency involved in such computation into euro at the spot rate for the purchase of euros with the applicable foreign currency as quoted by Reuters at approximately 11:00 a.m. (New York City time) on the date not more than two business days prior to such determination. For purposes of determining whether any Indebtedness can be incurred (including Permitted Debt), any Investment can be made or any transaction described in the “—Certain Covenants—Transactions with Affiliates” covenant can be undertaken (a *“Tested Transaction”*), the Euro Equivalent of such Indebtedness, Investment or transaction described in the “—Certain Covenants—Transactions with Affiliates” covenant shall be determined on the date incurred, made or undertaken and, in each case, no subsequent change in the Euro Equivalent shall cause such Tested Transaction to have been incurred, made or undertaken in violation of the Indenture.

*“European Government Obligations”* means direct obligations (or certificates representing an ownership interest in such obligations) of a member state of the European Union (including any agency or instrumentality thereof) for the payment of which the full faith and credit of such government is pledged.

*“Event of Default”* has the meaning set forth under “—Events of Default and Remedies”.

*“Exchange Act”* means the U.S. Exchange Act of 1934, as amended.

*“Excluded Contribution”* means Net Cash Proceeds and/or the Fair Market Value of property other than cash, (a) contributed to the ordinary equity of the Company or any Restricted Subsidiary or (b) received by the Company from the sale (other than to a Restricted Subsidiary of the Company or pursuant to any management equity plan or share option plan or any other management or employee benefit plan or arrangement of the Company or its Restricted Subsidiaries, as the case may be) of Equity Interests (other than Disqualified Stock) of the Company, in each case, designated as Excluded Contributions pursuant to an Officer’s Certificate, executed at or prior to the date such capital contribution is made or the date such Equity Interests are sold, in each case which, for the avoidance of doubt, are excluded from the calculation set forth in clause (3) of the first paragraph under “—Certain Covenants—Restricted Payments”.

*“Existing Indebtedness”* means Indebtedness in existence on the Issue Date, including the EIB Loan Facility and the Designated Existing Indebtedness but excluding any Indebtedness under the Senior Credit Facilities; *provided* that Indebtedness that is intended to be repaid from the proceeds from the Notes or the Senior Facility Agreement as described in the Listing Particulars under the heading “Use of Proceeds”, shall constitute Existing Indebtedness only until such Indebtedness is so repaid.

*“Fair Market Value”* means, with respect to any asset or property, the price which could be negotiated in an arm’s length, free market transaction, for cash, between a willing seller and a willing and able buyer, neither of whom is under undue pressure or compulsion to complete the transaction. For purposes of “—Certain Covenants—Limitation on Sales of Assets and Equity Interests in Restricted Subsidiaries” and “—Certain Covenants—Restricted Payments”, the Fair Market Value of property or assets other than cash which involves an aggregate amount in excess of €10 million, shall be set forth in a resolution approved by at least a majority of the Board of Directors of the Company set forth in an offeror’s certificate delivered to the Trustee. Except as otherwise provided herein, and for the purposes of “—Certain Covenants—Limitation on Sales of Assets and Equity Interests in Restricted Subsidiaries” and “—Certain Covenants—Restricted Payments,” for all other purposes of the Indenture, Fair Market Value will be determined in good faith by the responsible accounting or financial officer of the Company, whose determination will be final and conclusive.

*“Financial Assets”* means consolidated financial assets (comprised of loans and receivables, securities portfolio and other current financial assets) of the Company and its Restricted Subsidiaries as set forth on the balance sheet of the Company prepared in accordance with GAAP.

*“Fitch”* means Fitch Ratings.

*“Fixed Charge Coverage Ratio”* means with respect to any specified Person for any period, the ratio of the Consolidated EBITDA of such Person for such period to the Consolidated Interest Expense of such Person for such period. In the event that the specified Person or any of its Subsidiaries incurs, assumes,



guarantees, repays, repurchases or redeems any Indebtedness (other than ordinary working capital borrowings) or issues, repurchases or redeems preferred stock subsequent to the commencement of the period for which the Fixed Charge Coverage Ratio is being calculated and on or prior to the date on which the event for which the calculation of the Fixed Charge Coverage Ratio is made (the “*Calculation Date*”), then the Fixed Charge Coverage Ratio shall be calculated giving pro forma effect to such incurrence, assumption, guarantee, repayment, repurchase or redemption of Indebtedness, or such issuance, repurchase or redemption of preferred stock, and the use of the proceeds therefrom as if the same had occurred at the beginning of the applicable four-quarter reference period; *provided, however*, that the pro forma calculation of Consolidated Interest Expense shall not give effect to any Permitted Debt (as defined in “—Certain Covenants—Incurrence of Indebtedness and Issuance of Preferred Stock and Disqualified Stock”) incurred on the date of determination or to any discharge on the date of determination of any Indebtedness to the extent such discharge results from the proceeds of Permitted Debt.

In addition, for purposes of calculating the Fixed Charge Coverage Ratio:

- (1) acquisitions that have been made by the specified Person or any of its Subsidiaries, including through mergers or consolidations and including any related financing transactions, during the four-quarter reference period or subsequent to such reference period and on or prior to the Calculation Date shall be given pro forma effect as if they had occurred on the first day of the four-quarter reference period and Consolidated EBITDA for such reference period shall be calculated on a pro forma basis, but without giving effect to clause (2) of the proviso set forth in the definition of Consolidated Net Income;
- (2) the Consolidated EBITDA attributable to discontinued operations, as determined in accordance with GAAP, and operations or businesses disposed of or the operations of which are substantially terminated prior to the Calculation Date, shall be excluded; and
- (3) the Consolidated Interest Expense attributable to discontinued operations, as determined in accordance with GAAP, and operations or businesses disposed of prior to the Calculation Date, shall be excluded, but only to the extent that the obligations giving rise to such Consolidated Interest Expense will not be obligations of the specified Person or any of its Subsidiaries following the Calculation Date.

For purposes of this definition, whenever pro forma effect is to be given to an acquisition of assets, the amount of income or earnings relating thereto and the amount of Consolidated Interest Expense associated with any Indebtedness incurred in connection therewith, the pro forma calculations shall be determined in good faith by a responsible financial or accounting officer of the Company and may include pro forma expenses and cost reductions and cost synergies that have occurred or are reasonably expected to occur in the good faith judgment of a responsible financial or accounting officer of the Company. If any Indebtedness bears a floating rate of interest and is being given pro forma effect, the interest on such Indebtedness shall be calculated as if the rate in effect on the date of determination had been the applicable rate for the entire period (taking into account any Hedging Obligation applicable to such Indebtedness). For purposes of this definition, whenever pro forma effect is to be given to any Indebtedness incurred pursuant to a revolving credit facility, the amount outstanding on the date of such calculation will be computed based on (1) the average daily balance of such Indebtedness during such four fiscal quarters or such shorter period for which the facility was outstanding or (2) if such facility was created after the end of such four fiscal quarters, the average daily balance of such Indebtedness during the period from the date of creation of such facility to the date of such calculation. Interest on Indebtedness that may optionally be determined at an interest rate based on a prime or similar rate, a euro interbank offered rate, or other rate, shall be deemed to have been based upon the rate actually chosen or, if none, then based upon such optional rate chosen as the relevant Person may designate.

“*Funding Loan*” means the loan, dated the Issue Date, between the Issuer, as obligee, and the Company, as obligor, in the amount of the principal amount of the Notes issued pursuant to this offering, as well as any Additional Funding Loan; *provided* that such Funding Loan and Additional Funding Loan, if any, are at all times held by the Issuer.

“*GAAP*” means International Financial Reporting Standards promulgated by the International Accounting Standards Board and as adopted by the European Union as in effect from time to time.

“*guarantee*” means a guarantee other than by endorsement of negotiable instruments for collection in the ordinary course of business, direct or indirect, in any manner including, without limitation, by way of a

pledge of assets or through letters of credit or reimbursement agreements in respect thereof, of all or any part of any Indebtedness.

“*Guarantors*” means each of the Company, the Subsidiary Guarantors, and their respective successors and assigns.

“*Hedging Obligations*” means, with respect to any specified Person, the obligations of such Person under:

- (1) interest rate swap agreements, interest rate cap agreements and interest rate collar agreements; and
- (2) other agreements or arrangements designed to protect such Person against fluctuations in interest rates or foreign exchange rates.

“*ICO Loan Facility*” means a facility agreement dated November 17, 2011 entered into, amongst others, by Corporación Gestamp S.L., as borrower, and Instituto de Crédito Oficial (ICO) for a maximum principal amount of €44.3 million;

“*Immediate Family*” has the meaning specified in Rule 16a-1(e) of the Exchange Act;

“*Indebtedness*” means, with respect to any specified Person, any indebtedness of such Person:

- (A) the principal and premium amount of any indebtedness of such Person, whether or not contingent:
  - (1) in respect of borrowed money;
  - (2) evidenced by bonds, notes, debentures or similar instruments or letters of credit (or, without duplication, reimbursement agreements in respect thereof, except to the extent such reimbursement obligation relates to a trade payable and such obligation is satisfied within 30 days of incurrence);
  - (3) in respect of banker’s acceptances;
  - (4) representing Capital Lease Obligations;
  - (5) representing the balance deferred and unpaid of the purchase price of any property which deferred purchase price is due more than twelve months after taking delivery and title thereof (but not including, for the purpose of calculating the Fixed Charge Coverage Ratio, any amount deemed to represent interest pursuant to the definition of Consolidated Interest Expense; or
  - (6) representing any Hedging Obligations entered into in connection with currency exchange rate or interest rate hedging (the amount of any such indebtedness to be equal at any time to the net payments that would be payable by such Person at such time under the Hedging Obligation at its scheduled termination date),

if and to the extent any of the preceding items (other than letters of credit and Hedging Obligations) would appear as a liability upon a balance sheet (excluding the footnotes thereto) of the specified Person prepared in accordance with GAAP.

- (B) In addition, the term “Indebtedness” shall include all Indebtedness of others secured by a Lien on any asset of the specified Person (whether or not such Indebtedness is assumed by the specified Person) and, to the extent not otherwise included, the guarantee by the specified Person of any indebtedness of any other Person (to the extent guaranteed by such Person).
- (C) Notwithstanding the foregoing, in no event shall the following constitute Indebtedness:
  - (i) advances paid by customers in the ordinary course of business for services or products to be provided or delivered in the future, (ii) deferred taxes, (iii) post-closing payment adjustments in connection with the purchase of any business to which a seller may be entitled to the extent such payment is determined by a final closing balance sheet or such payment depends on the performance of such business after the closing; provided, however, that at the time of closing, the amount of any such payment is not determinable and, to the extent such payment thereafter becomes fixed and determined, the amount is paid within 30 days thereafter, (iv) any contingent obligation in respect of workers’ compensation claims, early retirement obligations, obligations in respect of severance or retirement or pension fund contributions, (v) contingent obligations in the ordinary course, (vi) operating leases, (vii) obligations of such Person for the reimbursement

of any obligor on any letter of credit, banker's acceptance, performance bond, advance payment bonds, surety bonds, completion or performance guarantees or similar transactions, to the extent that such letters, bonds, guarantees or similar credit transactions are not drawn upon, (viii) obligations of any other Person except as provided by (B) above, and (ix) Subordinated Shareholder Debt.

The amount of any Indebtedness outstanding as of any date shall be:

- (1) the accreted value of the Indebtedness, in the case of any Indebtedness issued with original issue discount; and
- (2) the principal amount of the Indebtedness in the case of any other Indebtedness.

*"Intercreditor Agreement"* means the Intercreditor Agreement dated on or prior to the Issue Date, between, amongst others, the facility agent under the Senior Credit Facilities, creditors of the Designated Existing Indebtedness, the Company, various subsidiaries of the Company and the Security Agent, as amended from time to time.

*"Investments"* means, with respect to any Person, all direct or indirect investments by such Person in other Persons (including Affiliates) in the forms of other extensions of credit, loans (including the maintenance of current accounts, cash accounts, and the extension of guarantees or other obligations), advances (other than advances to suppliers in the ordinary course of business or to customers in the ordinary course of business that are recorded as Receivables) or capital contributions (excluding commission, travel and similar advances to officers and employees made in the ordinary course of business), purchases or other acquisitions for consideration of Indebtedness, Equity Interests or other securities, together with all items that are or would be classified as investments on a balance sheet (excluding the footnotes) prepared in accordance with GAAP. If the Company or any Subsidiary of the Company sells or otherwise disposes of any Equity Interests of any direct or indirect Subsidiary of the Company such that, after giving effect to any such sale or disposition, such Person is no longer a Subsidiary of the Company, the Company will be deemed to have made an Investment on the date of any such sale or disposition equal to the Fair Market Value of the Equity Interests of such Subsidiary not sold or disposed of in an amount determined as provided in the last paragraph of the covenant described above under the caption *"—Certain Covenants—Restricted Payments"*. The acquisition by the Company or any Subsidiary of the Company of a Person that holds an Investment in a third Person will be deemed to be an Investment by the Company or such Subsidiary in such third Person in an amount equal to the Fair Market Value of the Investment held by the acquired Person in such third Person in an amount determined as provided in the last paragraph of the covenant described above under the caption *"—Certain Covenants—Restricted Payments"*.

*"Issue Date"* means May 10, 2013.

*"Leverage Ratio"* means for any Person as of any date of determination, the ratio of (x) Indebtedness as of such date to (y) the aggregate amount of Consolidated EBITDA for the period of the most recent four consecutive fiscal quarters ending prior to the date of such determination for which consolidated financial statements of that Person are available. In the event that the specified Person or any of its Subsidiaries incurs, assumes, guarantees, repays, repurchases or redeems any Indebtedness (other than ordinary working capital borrowings) or issues, repurchases or redeems preferred stock subsequent to the commencement of the period for which the Leverage Ratio is being calculated and on or prior to the date on which the event for which the calculation of the Leverage Ratio is made (the *"Leverage Ratio Calculation Date"*), then the Leverage Ratio shall be calculated giving pro forma effect to such incurrence, assumption, guarantee, repayment, repurchase or redemption of Indebtedness, or such issuance, repurchase or redemption of preferred stock, and the use of the proceeds therefrom as if the same had occurred at the beginning of the applicable four-quarter reference period.

In addition, for purposes of calculating the Leverage Ratio:

- (1) acquisitions that have been made by the specified Person or any of its Subsidiaries, including through mergers or consolidations and including any related financing transactions, during the four-quarter reference period or subsequent to such reference period and on or prior to the Leverage Ratio Calculation Date shall be given pro forma effect as if they had occurred on the first day of the four-quarter reference period and Consolidated EBITDA for such reference period shall be calculated on a pro forma basis, but without giving effect to clause (3) of the proviso set forth in the definition of Consolidated Net Income;

- (2) the Consolidated EBITDA attributable to discontinued operations, as determined in accordance with GAAP, and operations or businesses disposed of or the operations of which are substantially terminated prior to the Leverage Ratio Calculation Date, shall be excluded; and
- (3) the Consolidated Interest Expense attributable to discontinued operations, as determined in accordance with GAAP, and operations or businesses disposed of prior to the Calculation Date, shall be excluded, but only to the extent that the obligations giving rise to such Consolidated Interest Expense will not be obligations of the specified Person or any of its Subsidiaries following the Calculation Date.

For purposes of this definition, whenever pro forma effect is to be given to an acquisition of assets, the amount of income or earnings relating thereto and the amount of Consolidated Interest Expense associated with any Indebtedness incurred in connection therewith, the pro forma calculations shall be determined in good faith by a responsible financial or accounting officer of the Company and may include pro forma expenses and cost reductions and cost synergies that have occurred or are reasonably expected to occur in the good faith judgment of a responsible financial or accounting officer of the Company. If any Indebtedness bears a floating rate of interest and is being given pro forma effect, the interest on such Indebtedness shall be calculated as if the rate in effect on the date of determination had been the applicable rate for the entire period (taking into account any Hedging Obligation applicable to such Indebtedness). For purposes of this definition, whenever pro forma effect is to be given to any Indebtedness incurred pursuant to a revolving credit facility, the amount outstanding on the date of such calculation will be computed based on (1) the average daily balance of such Indebtedness during such four fiscal quarters or such shorter period for which the facility was outstanding or (2) if such facility was created after the end of such four fiscal quarters, the average daily balance of such Indebtedness during the period from the date of creation of such facility to the date of such calculation. Interest on Indebtedness that may optionally be determined at an interest rate based on a prime or similar rate, a euro interbank offered rate, or other rate, shall be deemed to have been based upon the rate actually chosen or, if none, then based upon such optional rate chosen as the relevant Person may designate.

“*Lien*” means, with respect to any asset, any mortgage, lien, pledge, charge, security interest or encumbrance of any kind in respect of such asset, whether or not filed, recorded or otherwise perfected under applicable law, including any conditional sale or other title retention agreement, any lease in the nature thereof, any option or other agreement to sell or give a security interest in and any filing of or agreement to give any financing statement under the Uniform Commercial Code (or equivalent statutes) of any jurisdiction.

“*Listing Particulars*” means the listing particulars in relation to the Notes.

“*Material Subsidiary*” means any Restricted Subsidiary (a) whose operating profit less depreciation, amortization and impairment losses calculated on a basis consistent with Consolidated EBITDA and excluding intra-group items is greater than (x) €10 million and (y) 2.5% of the Consolidated EBITDA of the Company and its Subsidiaries or (b) whose Total Assets excluding intra-group items exceed 2.5% of the Total Assets of the Company and its Subsidiaries, in each case, determined by reference to the most recently available audited accounts delivered to the Trustee pursuant to the Indenture. A determination by a responsible accounting or financial officer of the Company that a Restricted Subsidiary is or is not a Material Subsidiary shall in the absence of manifest error be final and conclusive.

“*Market Capitalization*” means an amount equal to (i) the total number of issued and outstanding ordinary shares of the entity conducting the Public Offering on the date of the declaration of the relevant dividend multiplied by (ii) the arithmetic mean of the closing price per ordinary share for the 30 consecutive trading days immediately preceding the date of declaration of such dividend.

“*Moody’s*” means Moody’s Investors Service, Inc.

“*Net Cash Proceeds*” means (a) the aggregate proceeds in cash or Cash Equivalents received by the Company or any of its Restricted Subsidiaries in respect of any Asset Sale (including, without limitation, any cash in cash or Cash Equivalents received upon the sale or other disposition of any non-cash consideration received in any Asset Sale), net of the direct costs relating to such Asset Sale, including, without limitation, legal, accounting and investment banking fees, and sales commissions, and any relocation expenses incurred as a result of the Asset Sale, taxes paid or payable as a result of the Asset Sale, in each case, after taking into account any available tax credits or deductions and any tax sharing arrangements, and amounts required to be applied to the repayment of Indebtedness, secured by a Lien on the asset or assets that were the subject of such Asset Sale and any reserve for adjustment in respect of the



sale price of such asset or assets established in accordance with GAAP and (b) with respect to any issuance or sale of Capital Stock or Permitted Refinancing Indebtedness, the proceeds of such issuance or sale in the form of cash or Cash Equivalents, including payments in respect of deferred payment obligations (to the extent corresponding to the principal, but not interest, component thereof) when received in the form of cash or Cash Equivalents (except to the extent that such obligations are financed or sold with recourse to the Company or any Restricted Subsidiary), net of attorneys' fees, accountants' fees, underwriters' or placement agents' fees, discounts or commissions and brokerage, consultants' and other fees incurred in connection with such issuance or sale and net of taxes paid or payable as a result thereof.

*"Net Income"* means, with respect to any specified Person, the net income (loss) of such Person, determined in accordance with GAAP and before any reduction in respect of preferred stock dividends.

*"Non-Guarantor Leverage Ratio"* means the Leverage Ratio, but calculated by replacing Indebtedness in clause (x) of such definition with Consolidated Net Non-Guarantor Indebtedness.

*"Non-Recourse Debt"* means Indebtedness:

- (1) as to which neither the Company nor any of its Restricted Subsidiaries (a) provides credit support of any kind (including any undertaking, agreement or instrument that would constitute Indebtedness), (b) is directly or indirectly liable as a guarantor or otherwise, or (c) constitutes the lender;
- (2) no default with respect to which (including any rights that the holders thereof may have to take enforcement action against an Unrestricted Subsidiary) would permit upon notice, lapse of time or both any holder of any other Indebtedness (other than the Notes) of the Company or any of its Restricted Subsidiaries to declare a default on such other Indebtedness or cause the payment thereof to be accelerated or payable prior to its stated maturity (except for any such right that would arise pursuant to Existing Indebtedness or Credit Facilities including any refinancing in respect thereof permitted by the Indenture); and
- (3) as to which the lenders have been notified in writing that they will not have any recourse to the stock or assets of the Company or any of its Restricted Subsidiaries.

*"Obligations"* means any principal, interest, penalties, fees, indemnifications, reimbursements, damages and other liabilities payable under the documentation governing any Indebtedness.

*"Officer's Certificate"* means, with respect to any Person, a certificate signed by one authorized legal or financial officer of such Person.

*"Opinion of Counsel"* means a written opinion from legal counsel reasonably satisfactory to the Trustee. The counsel may be an employee of or counsel to the Company or its Subsidiaries.

*"Parent Company"* means any corporation, association or other business entity that beneficially owns greater than 50% of the Capital Stock of the Company and of which the Company is a Subsidiary.

*"Parent Company Payable"* means the aggregate principal amount of intercompany debt owed by the Company to Corporación Gestamp created as a result of the loan of a portion of the proceeds from the EIB Loan Facility and the ICO Loan Facility from Corporación Gestamp to the Company as further described in the Listing Particulars under the heading "Shareholders and Certain Transactions".

*"Pari Passu Indebtedness"* means Indebtedness of the Company or any Subsidiary Guarantor or any guarantor if such guarantee ranks equally in the right of payment to the Note Guarantees which, in each case, is secured by Liens on assets of the Company or any Subsidiary Guarantor.

*"Permitted Business"* means the automobile parts and components manufacturing business and other businesses necessary for and incident to, connected with, ancillary or complementary to, arising out, or developed or operated to permit or facilitate the conduct of the automobile parts and components manufacturing business, and the ownership and operation of real estate, hotels, restaurants and entertainment facilities that are either (A) directly related to the operation of a automobile parts and components manufacturing business, or (B) unrelated to the operation of a automobile parts and components manufacturing business but not in excess, on a pro forma basis, of 20% of the Fair Market Value of the Total Assets of the Company and its Subsidiaries, taken as a whole.

*"Permitted Collateral Liens"* means (1) Liens on the Collateral (a) arising by operation of law or that are described in one or more of clauses (5), (8), (9), (11), (14), (17) and (27) of the definition of "Permitted Liens" or (b) that are Liens granted to cash management banks securing cash management operations and



that, in each case, would not materially interfere with the ability of the Security Agent to enforce the Liens on the Collateral; (2) Liens on the Collateral to secure Indebtedness of the Company or any of its Restricted Subsidiaries that is permitted to be incurred under clauses (1), (8) (to the extent such guarantee is in respect of Indebtedness otherwise permitted to be secured and is specified in this definition of “Permitted Collateral Liens”) and (16) of the second paragraph of the covenant described under “—Certain Covenants—Incurrence of Indebtedness and Issuance of Disqualified Stock and Preferred Stock”, (3) Liens on the Collateral to secure (a) Hedging Obligations incurred under clause (7) of the second paragraph of the covenant described under “—Certain Covenants—Incurrence of Indebtedness and Issuance of Disqualified Stock and Preferred Stock” and (b) the EIB Loan Facility and Designated Existing Indebtedness incurred under clause (2) (including any Permitted Refinancing Indebtedness in respect thereof), in each case of the second paragraph of the covenant described under “—Certain Covenants—Incurrence of Indebtedness and Issuance of Disqualified Stock and Preferred Stock”; (3) Liens on the Collateral securing the Notes on the Issue Date and any Permitted Refinancing Indebtedness in respect thereof and the related Note Guarantees of the Notes or such Permitted Refinancing Indebtedness in respect thereof; (4) Liens on the Collateral securing Indebtedness incurred under the first paragraph of the covenant described under “—Certain Covenants—Incurrence of Indebtedness and Issuance of Disqualified Stock and Preferred Stock”; *provided* that in the case of this clause (4), after giving pro forma effect to such incurrence on that date and the application of the proceeds thereof, the Secured Leverage Ratio of the Company and its Restricted Subsidiaries shall be no greater than 2.5 to 1.0.

“*Permitted Holders*” means, collectively, (a) the Principals and any Related Party thereof, (b) Arcelor Mittal Group and (c) any one or more Persons whose beneficial ownership constitutes or results in a Change of Control in respect of which a Change of Control Offer is made in accordance with the requirements of the Indenture.

“*Permitted Investments*” means:

- (1) any Investment in the Company or a Restricted Subsidiary of the Company;
- (2) any Investment in Cash Equivalents;
- (3) any Investment by the Company or any Restricted Subsidiary of the Company in a Person, if as a result of such Investment:
  - (a) such Person becomes a Restricted Subsidiary of the Company; or
  - (b) such Person is merged, consolidated or amalgamated with or into, or transfers or conveys substantially all of its assets to, or is liquidated into, the Company or a Restricted Subsidiary of the Company;
- (4) any Investment made as a result of the receipt of non-cash consideration including Replacement Assets from an Asset Sale (or a transaction excepted from the definition of Asset Sale) that was made pursuant to and in compliance with the covenant described above under the caption “—Certain Covenants—Limitation on Sales of Assets and Equity Interests in Restricted Subsidiaries”;
- (5) any acquisition of assets solely in exchange for the issuance of Equity Interests (other than Disqualified Stock) of the Company or Subordinated Shareholder Debt;
- (6) Receivables owing to the Company or any Restricted Subsidiary if created or acquired in the ordinary course of business and payable or dischargeable in accordance with customary trade terms; *provided, however*, that such trade terms may include such concessionary terms as the Company or any such Restricted Subsidiary deems reasonable under the circumstances;
- (7) loans and advances to, and guarantees of loans or advances to, employees in the ordinary course of business and on terms consistent with past practice, including without limitation, travel, relocation and other like advances;
- (8) [Reserved];
- (9) lease, utility and other similar deposits in the ordinary course of business;
- (10) [Reserved];

- (11) Hedging Obligations, which transactions or obligations are incurred in compliance with “—Certain Covenants—Incurrence of Indebtedness and Issuance of Disqualified Stock or Preferred Stock”;
- (12) Investments made after the Issue Date having an aggregate Fair Market Value (measured on the date each such Investment was made and without giving effect to subsequent changes in value), when taken together with all other Investments made pursuant to this clause (12) that are at the time outstanding not to exceed (i) €100 million plus (ii) an amount equal to 100% of the dividends or distributions (including payments received in respect of loans and advances) received by the Company or a Restricted Subsidiary from a Permitted Joint Venture (which dividends or distributions are not included in the calculation in clauses (3)(a) through (3)(e) of the first paragraph of the covenant described under “—Certain Covenants—Restricted Payments” and dividends and distributions that reduce amounts outstanding under clause (i) hereof); *provided* that if an Investment is made pursuant to this clause in a Person that is not a Restricted Subsidiary and such Person is subsequently designated a Restricted Subsidiary pursuant to the covenant described under “—Certain Covenants—Restricted Payments,” such Investment shall thereafter be deemed to have been made pursuant to clause (3) of the definition of “Permitted Investments” and not this clause;
- (13) (i) guarantees not prohibited by the covenant described under “—Certain Covenants—Incurrence of Indebtedness and Issuance of Preferred Stock and Disqualified Stock” and (ii) (other than with respect to Indebtedness) guarantees, keepwells and similar arrangements in the ordinary course of business;
- (14) any Investment existing on the Issue Date or Investments in Permitted Joint Ventures pursuant to commitments or agreements in existence on the Issue Date and in each case disclosed in the Listing Particulars;
- (15) any Investments in Permitted Joint Ventures made after the Issue Date, not exceeding, in aggregate, an amount equal to 5.0% of Total Assets of the Company and its Subsidiaries, taken as a whole;
- (16) any Investment in the Notes; and
- (17) Investments in Associates in an aggregate amount when taken together with all other Investments made pursuant to this clause (17) that are at the time outstanding not to exceed an amount equal to 5.0% of Total Assets of the Company and its Subsidiaries, taken as a whole.

“*Permitted Joint Venture*” means (a) any corporation, association or other business entity (other than a partnership) that is not a Restricted Subsidiary and that, in each case, is engaged primarily in a Permitted Business and of which at least 20% of the total equity and total Voting Stock is at the time of determination owned or controlled, directly or indirectly, by the Company or one or more Restricted Subsidiaries or a combination thereof and (b) any partnership, joint venture, limited liability company or similar entity that is not a Restricted Subsidiary and that, in each case, is engaged primarily in a Permitted Business and of which at least 20% of the capital accounts, distribution rights, total equity and voting interests or general or limited partnership interests, as applicable, are at the time of determination, owned or controlled, directly or indirectly, by the Company or one or more Restricted Subsidiaries or a combination thereof, whether in the form of membership, general, special or limited partnership interests or otherwise.

“*Permitted Liens*” means:

- (1) Liens on assets of the Company and any Restricted Subsidiary securing Indebtedness and other Obligations under Credit Facilities incurred pursuant to clause (1) of the second paragraph under the covenant described under “—Certain Covenants—Incurrence of Indebtedness and Issuance of Disqualified Stock or Preferred Stock” in a principal amount not exceeding €50 million;
- (2) Liens in favor of the Company or a Restricted Subsidiary (but not, in the case of a Restricted Subsidiary that is not a Guarantor, Liens in favor of such Restricted Subsidiary over the assets of a Guarantor);
- (3) Liens on property of a Person existing at the time such Person is merged with or into or consolidated with the Company or any Restricted Subsidiary of the Company; *provided* that such Liens were in existence prior to the contemplation of such merger or consolidation and do not

extend to any assets other than those of the Person merged into or consolidated with the Company or the Restricted Subsidiary;

- (4) Liens on property existing at the time of acquisition of the property by the Company or any Restricted Subsidiary of the Company; *provided* that such Liens were in existence prior to the contemplation of such acquisition;
- (5) Liens to secure the performance of statutory or regulatory requirements, surety or appeal bonds, performance bonds or other obligations of a like nature incurred in the ordinary course of business;
- (6) Liens to secure Indebtedness (including Capital Lease Obligations) permitted by clause (4) of the second paragraph of the covenant entitled “—Certain Covenants—Incurrence of Indebtedness and Issuance of Preferred Stock and Disqualified Stock” covering only the assets acquired with such Indebtedness;
- (7) Liens securing Permitted Refinancing Indebtedness of secured Indebtedness incurred by the Company or a Restricted Subsidiary permitted to be incurred under the Indenture; *provided* that any such Lien is limited to all or part of the same property or assets (plus improvements, accessions, proceeds or dividends or distributions in respect thereof) that secured the Indebtedness being refinanced;
- (8) Liens for taxes, assessments or governmental charges or claims that are not yet delinquent or that are being contested in good faith by appropriate proceedings promptly instituted and diligently concluded; *provided* that any reserve or other appropriate provision as is required in conformity with GAAP has been made therefor;
- (9) Liens, pledges and deposits incurred in connection with workers’ compensation, unemployment insurance and other types of statutory obligations;
- (10) any Lien that is a Permitted Collateral Lien, or a Lien favor of the Notes and the Note Guarantees, including the Liens created pursuant to the Security Documents;
- (11) Liens in favor of customs or revenue authorities to secure payment of customs duties in connection with the importation of goods in the ordinary course of business;
- (12) Liens arising out of put/call agreements with respect to Capital Stock of any joint venture or similar arrangement pursuant to any joint venture or similar agreement;
- (13) Liens securing Indebtedness incurred under clause (7) of the second paragraph under the covenant described under “—Certain Covenants—Incurrence of Indebtedness and Issuance of Disqualified Stock and Preferred Stock”;
- (14) easements, rights-of-way, municipal and zoning ordinances, utility agreements, reservations, encroachments, restrictions and similar charges, encumbrances, title defects or other irregularities that do not materially interfere with the ordinary course of business of the Company or any of its Restricted Subsidiaries;
- (15) Liens on cash or Cash Equivalents set aside at the time of the incurrence of any Indebtedness, to the extent such cash or Cash Equivalents refund the payment of interest on such Indebtedness and are held in an escrow account or similar arrangement to be applied for such purpose;
- (16) Liens on assets of Unrestricted Subsidiaries that secure Non-Recourse Debt of Unrestricted Subsidiaries;
- (17) Liens imposed by law, such as carriers’, landlords’, warehousemen’s, suppliers’, and mechanics’ Liens and other similar Liens, on the property of the Company or any Restricted Subsidiary arising in the ordinary course of business;
- (18) Liens on property of the Company or any Restricted Subsidiary pursuant to conditional sale or title retention agreements;
- (19) Liens on property of the Company or any Restricted Subsidiary arising as a result of immaterial leases of such property to other Persons;
- (20) deposit arrangements entered into in connection with acquisitions or in the ordinary course of business excluding arrangements for borrowed money;

- (21) Liens of the Company or any Restricted Subsidiary of the Company with respect to Obligations that do not exceed 5.0% of the Total Assets of the Company and its Subsidiaries, taken as a whole, at any one time outstanding;
- (22) Liens existing on the Issue Date;
- (23) Liens on the Capital Stock and assets of a Permitted Joint Venture that secure the Indebtedness of such a Permitted Joint Ventures;
- (24) Liens in respect of factoring of Receivables arising in the ordinary course of business pursuant to customary arrangements; *provided* that any Indebtedness incurred in relation thereto is permitted to be incurred by clause (13) of the second paragraph of the covenant described under “—Certain Covenants—Incurrence of Indebtedness and Issuance of Disqualified Stock and Preferred Stock”;
- (25) Liens on any proceeds loan made by the Issuer in connection with any future incurrence of Indebtedness (other than Additional Notes) permitted under the Indenture (without any requirement to secure the Notes with a Lien on such proceeds loan);
- (26) Liens on insurance policies and proceeds thereof, or other deposits, to secure insurance premium financings;
- (27) banker’s Liens, rights of set off or similar rights and remedies as to deposit accounts, cash pooling arrangements, net balance or balance transfer agreements, Liens arising out of judgments or awards not constituting an Event of Default and notices and associated rights related to litigation being contested in good faith by appropriate proceedings and for which adequate reserves have been made;
- (28) Liens to secure Indebtedness incurred under the first paragraph of the covenant described under “—Certain Covenants—Incurrence of Indebtedness and Issuance of Disqualified Stock and Preferred Stock” by a Restricted Subsidiary of the Company that is not a Guarantor or the Issuer; *provided* that any such Lien shall extend to the property or assets of such Restricted Subsidiary of the Company that is not a Guarantor or the Issuer; and
- (29) any extension, renewal, refinancing or replacement, in whole or in part, of any Lien described in the foregoing clauses (1) through (28); *provided* that any such Lien is limited to all or part of the same property or assets (plus improvements, accessions, proceeds or dividends or distributions in respect thereof) that secured (or, under the written arrangements under which the original Lien arose, could secure) the Indebtedness being refinanced or is in respect of property that is the security for a Permitted Lien hereunder.

“*Permitted Refinancing Indebtedness*” means any Indebtedness of the Company or any of its Restricted Subsidiaries issued in exchange for, or the net proceeds of which are used to extend, refinance, renew, replace, defease or refund other Indebtedness of the Company or any of its Restricted Subsidiaries (other than intercompany Indebtedness); *provided* that:

- (1) the principal amount (or accreted value, if applicable) of such Permitted Refinancing Indebtedness does not exceed the principal amount (or accreted value, if applicable) of the Indebtedness extended, refinanced, renewed, replaced, defeased or refunded (plus all accrued interest on the Indebtedness and the amount of all expenses and premiums incurred in connection therewith);
- (2) such Permitted Refinancing Indebtedness has a Weighted Average Life to Maturity equal to or greater than the Weighted Average Life to Maturity of the Indebtedness being extended, refinanced, renewed, replaced, defeased or refunded;
- (3) if the Indebtedness being extended, refinanced, renewed, replaced, defeased or refunded is subordinated in right of payment to the Notes or any Note Guarantee, such Permitted Refinancing Indebtedness has a final maturity date later than the final maturity date of, and is subordinated in right of payment to, the Notes or the Note Guarantee (as applicable) on terms at least as favorable to the holders of Notes as those contained in the documentation governing the Indebtedness being extended, refinanced, renewed, replaced, defeased or refunded; and
- (4) such Indebtedness is incurred either by the Company or by the Restricted Subsidiary who is the obligor on the Indebtedness being extended, refinanced, renewed, replaced, defeased or

refunded; *provided* that the Company and any Guarantor may incur refinancing Indebtedness in respect of the Company, any Guarantor, or any Restricted Subsidiary.

“*Person*” means any individual, corporation, partnership, joint venture, association, joint stock company, trust, unincorporated organization, limited liability company or government or other entity.

“*Principals*” means Francisco José Riberas Mera and Juan María Riberas Mera.

“*Public Debt*” means any bonds, debentures, notes or other indebtedness of a type that could be issued or traded in any market where capital funds (whether debt or equity) are traded, including private placement sources of debt and equity as well as organized markets and exchanges, whether such indebtedness is issued in a public offering or in a private placement to institutional investors or otherwise.

“*Public Offering*” means any Equity Offering; *provided* that such Equity Offering is an offering of ordinary shares of the Company or any Parent Company following which at least 20% of the total issued and outstanding shares of the Company or any Parent Company not owned by a Permitted Holder are listed on an exchange and/or publicly offered (which shall include an offering pursuant to Rule 144A and/or Regulation S under the Securities Act, to professional market investors or similar Persons).

“*Qualified Director*” means any member of the Board of Directors of the Company who (a) is not an Affiliate or a Related Party of any Principal, (b) has no direct or indirect financial, business, employment, contractual or other relationship to any transaction for which such director’s status as a Qualified Director is being determined that would interfere with the exercise of such director’s independent judgment and (c) who is not an employee or officer of the Company or any of its Subsidiaries or an employee or officer of an Affiliate of the Company.

“*Receivable*” means a right to receive payment arising from a sale or lease of goods or services by a Person pursuant to an arrangement with another person pursuant to which such other Person is obligated to pay for goods or services under terms that permit the purchase of such goods and services on credit, as determined in accordance with GAAP.

“*Related Party*” means:

- (1) any controlling stockholder, 80% (or more) owned Subsidiary, or Immediate Family member (in the case of an individual) of any Principal; or
- (2) any trust, corporation, partnership or other entity, the beneficiaries, stockholders, partners, owners or Persons beneficially holding an 80% or more controlling interest of which consist the Principals and/or such other Persons referred to in the immediately preceding clause (1).

“*Replacement Assets*” means, with respect to any Asset Sale by the Company or a Restricted Subsidiary, consideration received in the form of:

- (1) properties and assets (other than cash or any common stock or other security) that will be used in a Permitted Business by the Company or a Restricted Subsidiary; or
- (2) Capital Stock of any Person (i) that will become, be merged into, be liquidated into or otherwise combined or amalgamated with, on or within 90 days of the date of acquisition thereof, a Restricted Subsidiary, if such Person is engaged in a Permitted Business or (ii) that is or that will become a Restricted Subsidiary engaged in a Permitted Business upon the date of acquisition thereof.

“*Restricted Investment*” means an Investment other than a Permitted Investment.

“*Restricted Subsidiary*” of a Person means any Subsidiary of the referent Person that is not an Unrestricted Subsidiary.

“*S&P*” means Standard and Poor’s Rating Group.

“*Secured Leverage Ratio*” means the Leverage Ratio of the Company and its Restricted Subsidiaries, but calculated by replacing Indebtedness in clause (x) of such definition with Consolidated Net Indebtedness of such Person and its Restricted Subsidiaries (reduced by an amount equal to all Indebtedness of such Person and its Restricted Subsidiaries that is not secured by a Lien on the Collateral).

“*Securities Act*” means the U.S. Securities Act of 1933, as amended.



“*Security Agent*” means any Person acting as security agent with respect to the Collateral pursuant to the Indenture, the Security Documents, the Intercreditor Agreement and any Additional Intercreditor Agreement or such successor security agent as may be appointed thereunder.

“*Security Documents*” means each security agreement, pledge agreement, assignment or other document under which a security interest is granted to secure the payment and performance when due of the Issuer and/or the Guarantors under the Notes, the Note Guarantees and the Indenture, as the case may be.

“*Senior Credit Facilities*” means the Senior Facilities Agreement dated April 19, 2013 entered into between, amongst others, the Company and certain of its Subsidiaries, as borrowers, certain Subsidiaries of the Company, as guarantors and Deutsche Bank AG, London Branch, as agent, comprising €570 million of term facilities and a €280 million revolving credit facility, as the same may be amended, supplemented, waived or otherwise modified from time to time, or refunded, refinanced, restructured, replaced, renewed, repaid, increased or extended from time to time (whether in whole or in part).

“*Significant Subsidiary*” means any Subsidiary that would be a “significant subsidiary” as defined in Article 1, Rule 1-02 of Regulation S-X, promulgated pursuant to the Securities Act, as such Regulation is in effect on the date hereof.

“*Stated Maturity*” means, with respect to any installment of interest or principal on any series of Indebtedness, the date on which the payment of interest or principal was scheduled to be paid in the original documentation governing such Indebtedness, and will not include any contingent obligations to repay, redeem or repurchase any such interest or principal prior to the date originally scheduled for the payment thereof.

“*Subordinated Shareholder Debt*” means, collectively, any debt of the Company issued to and held by any direct or indirect Parent Company or one or more shareholders of a Parent Company or any Permitted Holder or Affiliate thereof, that:

- (1) does not mature or require any cash amortization, redemption or other cash repayment of principal or any sinking fund payment prior to the first anniversary of the Stated Maturity of the Notes (other than through the conversion or exchange of any such security or instrument into Capital Stock (other than Disqualified Stock) of the Company or for any indebtedness meeting the requirements of this definition);
- (2) does not require, prior to the first anniversary of the Stated Maturity of the Notes, payment of cash interest, cash withholding amounts or other cash gross-ups, or any similar cash amounts;
- (3) contains no change of control or similar provisions and does not accelerate and has no right to declare a default or event of default or take any enforcement action or otherwise require any cash payment, in each case, prior to the first anniversary of the Stated Maturity of the Notes;
- (4) does not provide for or require any security interest or encumbrance over any asset of the Company or any of its Restricted Subsidiaries and is not guaranteed by any Restricted Subsidiary of the Company;
- (5) does not restrict the payment of amounts due in respect of the Company’s Note Guarantee or compliance by the Company with its obligations under its Note Guarantee and the Indenture;
- (6) does not contain any covenants (financial or otherwise), as applicable, other than a covenant to pay such Subordinated Shareholder Debt; and
- (7) is fully subordinated and junior in right of payment to the Notes pursuant to the Intercreditor Agreement or to subordination, payment blockage and enforcement limitation terms which taken as a whole are no less favorable in any material respect to the holders of the Notes than those contained in the Intercreditor Agreement as in effect on the Issue Date,

*provided, however*, that any event or circumstance that results in such funding ceasing to qualify as Subordinated Shareholder Debt, such funding shall constitute an incurrence of Indebtedness by the Company, and any and all Restricted Payments made through the use of the net proceeds from the incurrence of such funding since the date of the original issuance of such Subordinated Shareholder Debt shall constitute new Restricted Payments that are deemed to have been made after the date of the original issuance of such Subordinated Shareholder Debt.

“*Subsidiary*” means, with respect to any specified Person:

- (1) any corporation, association or other business entity of which more than 50% of the total voting power of shares of Capital Stock entitled (without regard to the occurrence of any contingency) to vote in the election of directors, managers or trustees thereof is at the time owned or controlled, directly or indirectly, by that Person or one or more of the other Subsidiaries of that Person (or a combination thereof); and
- (2) any partnership (a) the sole general partner or the managing general partner of which is such Person or a Subsidiary of such Person or (b) the only general partners of which are that Person or one or more Subsidiaries of that Person (or any combination thereof).

“*Subsidiary Guarantors*” means (i) as of the Issue Date, the Subsidiaries of the Company that, as of the Issue Date, guarantee the obligations due under the Senior Credit Facilities; and (ii) any Restricted Subsidiary that becomes a Guarantor after the Issue Date pursuant to the covenant entitled “—Certain Covenants—Additional Note Guarantees”; *provided*, in each case, that a Subsidiary Guarantor shall cease to be a Subsidiary Guarantor upon release of its Note Guarantee in accordance with the terms of the Indenture.

“*Total Assets*” means, as of the date of determination, with respect to any Person, the consolidated total assets of such Person as shown on its most recent available balance sheet prepared in accordance with GAAP.

“*Treasury Rate*” means, as of the applicable redemption date, the yield to maturity as of such redemption date of United States Treasury securities with a constant maturity (as compiled and published in the most recent Federal Reserve Statistical Release H.15(519) that has become publicly available at least two business days prior to such redemption date (or, if such Statistical Release is no longer published, any publicly available source of similar market data)) most nearly equal to the period from such redemption date to May 31, 2016; *provided, however*, that if the period from such redemption date to May 31, 2016 is less than one year, the weekly average yield on actually traded United States Treasury securities adjusted to a constant maturity of one year will be used.

“*Unrestricted Subsidiary*” means any Subsidiary of the Company (other than the Issuer or its successor) that is designated by the Board of Directors as an Unrestricted Subsidiary pursuant to a board resolution, but only to the extent that such Subsidiary:

- (1) has no Indebtedness other than Non-Recourse Debt;
- (2) is not party to any agreement, contract, arrangement or understanding with the Company or any Restricted Subsidiary of the Company unless the terms of any such agreement, contract, arrangement or understanding are no less favorable to the Company or such Restricted Subsidiary than those that might be obtained at the time from Persons who are not Affiliates of the Company;
- (3) is a Person with respect to which neither the Company nor any of its Restricted Subsidiaries has any direct or indirect obligation (a) to subscribe for additional Equity Interests or (b) to maintain or preserve such Person’s financial condition or to cause such Person to achieve any specified levels of operating results; and
- (4) has not guaranteed or otherwise directly or indirectly provided credit support for any Indebtedness of the Company or any of its Restricted Subsidiaries.

Any designation of a Subsidiary of the Company as an Unrestricted Subsidiary shall be evidenced to the Trustee by filing with the Trustee a certified copy of the board resolution giving effect to such designation and an officers’ certificate certifying that such designation complied with the preceding conditions and was permitted by the covenant described above under the caption “—Certain Covenants—Restricted Payments”. If, at any time, any Unrestricted Subsidiary would fail to meet the preceding requirements as an Unrestricted Subsidiary, it will thereafter cease to be an Unrestricted Subsidiary for purposes of the Indenture and any Indebtedness of such Subsidiary will be deemed to be incurred by a Restricted Subsidiary of the Company as of such date and, if such Indebtedness is not permitted to be incurred as of such date under the covenant described under the caption “—Certain Covenants—Incurrence of Indebtedness and Issuance of Preferred Stock and Disqualified Stock”, the Company will be in default of such covenant. The Board of Directors of the Company may at any time designate any Unrestricted Subsidiary to be a Restricted Subsidiary; *provided* that such designation shall be deemed to be an

incurrence of Indebtedness by a Restricted Subsidiary of the Company of any outstanding Indebtedness of such Unrestricted Subsidiary and such designation shall only be permitted if (1) such Indebtedness is permitted under the covenant described under the caption “—Certain Covenants—Incurrence of Indebtedness and Issuance of Preferred Stock and Disqualified Stock”, calculated on a pro forma basis as if such designation had occurred at the beginning of the four-quarter reference period; and (2) no Default or Event of Default would be in existence following such designation.

“*U.S. Government Securities*” means direct obligations of, or obligations guaranteed by, the United States of America, and the payment for which the United States pledges its full faith and credit.

“*Voting Stock*” of any Person as of any date means the Capital Stock of such Person that is at the time entitled to vote in the election of the Board of Directors of such Person.

“*Weighted Average Life to Maturity*” means, when applied to any Indebtedness at any date, the number of years obtained by dividing:

- (1) the sum of the products obtained by multiplying (a) the amount of each then remaining installment, sinking fund, serial maturity or other required payments of principal, including payment at final maturity, in respect of the Indebtedness, by (b) the number of years (calculated to the nearest one-twelfth) that will elapse between such date and the making of such payment; by
- (2) the then outstanding principal amount of such Indebtedness.

“*Wholly Owned Restricted Subsidiary*” of any specified Person means a Restricted Subsidiary of such Person all of the outstanding Capital Stock or other ownership interests of which (other than directors’ qualifying shares) will at the time be owned by such Person or by one or more Wholly Owned Restricted Subsidiaries of such Person and one or more Wholly Owned Restricted Subsidiaries of such Person.

## **BOOK-ENTRY, DELIVERY AND FORM**

### **General**

The Euro notes issued to qualified institutional buyers (as defined in Rule 144A under the U.S. Securities Act) in reliance on Rule 144A (the “Rule 144A Euro Global Notes”) and the Dollar notes issued to qualified institutional buyers in reliance on Rule 144A (the “Rule 144A Dollar Global Notes”) and together with the Rule 144A Euro Global Notes the “Rule 144A Global Notes”) will in each case be represented by one or more global notes in registered form without interest coupons attached and the Euro notes issued to non-US persons outside the United States in reliance on Regulation S under the U.S. Securities Act (the “Regulation S Euro Global Notes”) and the Dollar notes issued to non-US persons outside the United States in reliance on Regulation S under the U.S. Securities Act (the “Regulation S Dollar Global Notes”) and together with the Regulation S Euro Global Notes the “Regulation S Global Notes”) will initially in each case be represented by one or more global notes in registered form without interest coupons attached. The Rule 144A Euro Global Notes together with the Regulation S Euro Global Notes are collectively referred to as the “Euro Global Notes”. The Rule 144A Dollar Global Notes together with the Regulation S Dollar Global Notes are collectively referred to as the “Dollar Global Notes”. The Rule 144A Global Notes together with the Regulation S Global Notes are collectively referred to as the “Global Notes”. The Euro Global Notes will be deposited with a common depositary, and registered in the name of the nominee of the common depositary for the accounts of Euroclear and Clearstream. The Dollar Global Notes will be deposited with a custodian for, and registered in the name of, Cede & Co. as nominee for DTC.

Ownership of interests in the Rule 144A Global Notes (the “Restricted Book-Entry Interests”) and ownership of interests in the Regulation S Global Notes (the “Unrestricted Book-Entry Interests”) and, together with the Restricted Book-Entry Interests, the “Book-Entry Interests”) will be limited to persons that have accounts with Euroclear, Clearstream or DTC or persons that hold interests through such participants.

Euroclear, Clearstream and DTC will hold interests in the Global Notes on behalf of their participants through customers’ securities accounts in their respective names on the books of their respective depositaries. Except under the limited circumstances described below, notes will not be issued in definitive form.

Book-Entry Interests will be shown on, and transfers thereof will be effected only through, records maintained by Euroclear, Clearstream and DTC and their participants. The laws of some jurisdictions, including some states of the United States, may require that certain purchasers of securities take physical delivery of those securities in definitive form. The foregoing limitations may impair your ability to own, transfer or pledge Book-Entry Interests. In addition, while the notes are in global form, holders of Book-Entry Interests will not be considered the owners or “holders” of notes for any purpose.

So long as the notes are held in global form, Euroclear, Clearstream and DTC, as applicable, will be considered the sole holder(s) of the Global Notes for all purposes under the Indenture governing the notes. In addition, participants must rely on the procedures of Euroclear, Clearstream and DTC and indirect participants must rely on the procedures of the participants through which they own Book-Entry Interests to transfer their interests or to exercise any rights of holders under the Indenture governing the notes. Neither we nor the Trustee will have any responsibility or be liable for any aspect of the records relating to the Book-Entry Interests.

### **Payments on Global Notes**

Payments of any amounts owing in respect of the Global Notes (including principal, premium, if any, interest and Additional Amounts, if any) will be made by us to the common depositary or its nominee for Euroclear and Clearstream (in the case of the Euro Global Notes) and to DTC or its nominee (in the case of the Dollar Global Notes). The common depositary or its nominee will distribute such payments to participants in accordance with their procedures. Payments of all such amounts will be made without deduction or withholding for or on account of any present or future taxes, duties, assessments or governmental charges of whatever nature except as may be required by law. If any such deduction or withholding is required to be made by any applicable law or regulation of Luxembourg or otherwise as described under “Description of the Notes—Additional Amounts”, then, to the extent described under “Description of the Notes—Additional Amounts”, such Additional Amounts will be paid as may be necessary in order that the net amounts received by any holder of the Global Notes or owner of

Book-Entry Interests after such deduction or withholding will equal the net amounts that such holder or owner would have otherwise received in respect of such Global Note or Book-Entry Interest, as the case may be, absent such withholding or deduction. We expect that payments by participants to owners of Book-Entry Interests held through those participants will be governed by standing customer instructions and customary practices. Under the terms of the Indenture governing the notes, we and the Trustee will treat the registered holder of the Global Notes (e.g. Euroclear, Clearstream or DTC (or their respective nominees)) as the owner thereof for the purpose of receiving payments and for all other purposes. Consequently, neither we, the Trustee nor any of our or the Trustee's agents have or will have any responsibility or liability for:

- (1) any aspect of the records of Euroclear, Clearstream or DTC or of any participant or indirect participant relating to or payments made on account of a Book-Entry Interest, or for maintaining, supervising or reviewing the records of Euroclear, Clearstream or DTC or any participant or indirect participant relating to or payments made on account of a Book-Entry Interest;
- (2) Euroclear, Clearstream or DTC or any participant or indirect participant; or
- (3) the records of the common depository.

### **Currency of payment for the Global Notes**

The principal of, premium, if any, and interest on, and all other amounts payable in respect of, the Euro Global Notes will be paid to holders of interest in such Notes through Euroclear or Clearstream in Euros. The principal of, premium, if any, and interest on, and all other amounts payable in respect of, the Dollar Global Notes will be paid to holders of interests in such Notes through DTC in U.S. dollars.

### **Action by Owners of Book-Entry Interests**

Euroclear, Clearstream and DTC have advised us that they will take any action permitted to be taken by a holder of notes only at the direction of one or more participants to whose account the Book-Entry Interests in the Global Notes are credited and only in respect of such portion of the aggregate principal amount of notes as to which such participant or participants has or have given such direction. Euroclear, Clearstream and DTC will not exercise any discretion in the granting of consents, waivers or the taking of any other action in respect of the Global Notes. However, if there is an Event of Default under the notes, Euroclear, Clearstream and DTC reserve the right to exchange the Global Notes for Definitive Registered Notes in certificated form, and to distribute such Definitive Registered Notes to its participants.

### **Transfers**

Transfers between participants in Euroclear, Clearstream and DTC will be effected in accordance with Euroclear, Clearstream and DTC rules and will be settled in immediately available funds. If a holder of notes requires physical delivery of Definitive Registered Notes for any reason, including to sell notes to persons in states which require physical delivery of such securities or to pledge such securities, such holder of notes must transfer its interest in the Global Notes in accordance with the normal procedures of Euroclear, Clearstream and DTC and in accordance with the procedures set forth in the Indenture governing the notes.

The Global Notes will bear a legend to the effect set forth in "Notice to Investors." Book-Entry Interests in the Global Notes will be subject to the restrictions on transfers and certification requirements discussed under "Notice to Investors".

Transfer of Restricted Book-Entry Interests to persons wishing to take delivery of Restricted Book-Entry Interests will at all times be subject to such transfer restrictions.

Restricted Book-Entry Interests may be transferred to a person who takes delivery in the form of any Unrestricted Book-Entry Interest only upon delivery by the transferor of a written certification (in the form provided in the Indenture governing the notes) to the effect that such transfer is being made in accordance with Regulation S or Rule 144 (if available) under the U.S. Securities Act.

Any Book-Entry Interest in one of the Global Notes that is transferred to a person who takes delivery in the form of a Book-Entry Interest in the other Global Note will, upon transfer, cease to be a Book-Entry Interest in the first mentioned Global Note and become a Book-Entry Interest in such other Global Note, and, accordingly, will thereafter be subject to all transfer restrictions, if any, and other procedures



applicable to Book-Entry Interests in such other Global Note for as long as it remains such a Book-Entry Interest.

### **Definitive Registered Notes**

Under the terms of the Indenture governing the notes, owners of the Book-Entry Interests will receive Definitive Registered Notes only:

- (1) if Euroclear, Clearstream or DTC notifies us that it is unwilling or unable to continue to act and a successor is not appointed by us within 90 days; or
- (2) if Euroclear, Clearstream or DTC so requests following an Event of Default under the Indenture governing the notes.

### **Information concerning Euroclear, Clearstream and DTC**

#### *Euroclear and Clearstream*

Euroclear and Clearstream hold securities for participating organizations and facilitate the clearance and settlement of securities transactions between their respective participants through electronic book-entry changes in accounts of such participants. Euroclear and Clearstream provide to their participants, among other things, services for safekeeping, administration, clearance and settlement of internationally traded securities and securities lending and borrowing. Euroclear and Clearstream interface with domestic securities markets. Euroclear and Clearstream participants are financial institutions such as underwriters, securities brokers and dealers, banks, trust companies and certain other organizations. Indirect access to Euroclear or Clearstream is also available to others such as banks, brokers, dealers and trust companies that clear through or maintain a custodian relationship with Euroclear or Clearstream participants, either directly or indirectly.

#### *DTC*

DTC is a:

- limited purpose trust company organized under the New York Banking Law;
- “banking organization” under the New York Banking Law;
- member of the Federal Reserve System;
- “clearing corporation” within the meaning of the New York Uniform Commercial Code; and
- “clearing agency” registered under Section 17A of the U.S. Exchange Act of 1934, as amended (the “US Exchange Act”).

DTC was created to hold securities for its participants and to facilitate the clearance and settlement of transactions among its participants. It does this through electronic book-entry changes in the accounts of securities participants, eliminating the need for physical movement of securities certificates. DTC participants include securities brokers and dealers, banks, trust companies, clearing corporations and certain other organizations such as the initial purchaser. Others, such as banks, brokers, dealers, trust companies and clearing corporations, that clear through or maintain a custodial relationship with a direct participant also have access to the DTC system and are known as indirect participants.

Because DTC can only act on behalf of participants, who in turn act on behalf of indirect participants and certain banks, the ability of an owner of a beneficial interest to pledge such interest to persons or entities that do not participate in the DTC system or otherwise take actions in respect of such interest may be limited by the lack of a definitive certificate for that interest. The laws of some jurisdictions require that certain persons take physical delivery of securities in definitive form. Consequently, the ability to transfer beneficial interests to such persons may be limited. In addition, owners of beneficial interests through the DTC system will receive distributions attributable to the Rule 144A Global Note only through DTC participants.

The address of DTC in New York is DTCC, Brooklyn Army Terminal, 3H Underwriting Department, 140 58th Street, Brooklyn, New York 11220.

## **Global Clearance and Settlement Under the Book-Entry System**

Subject to compliance with the transfer restrictions applicable to the Global Notes, cross-market transfers between participants in Euroclear or Clearstream Banking participants, on the one hand, and DTC on the other hand, will be done through DTC in accordance with DTC's rules on behalf of each of Euroclear or Clearstream Banking by the common depositary; however, such cross-market transactions will require delivery of instructions to Euroclear or Clearstream Banking by the counterparty in such system in accordance with the rules and procedures and within the established deadlines (Brussels time) of such system. Euroclear or Clearstream Banking will, if the transaction meets its settlement requirements, deliver instructions to the common depositary to take action to effect final settlement on its behalf by delivering or receiving interests in the Global Notes in DTC, and making or receiving payment in accordance with normal procedures for same-day funds settlement applicable to DTC. Euroclear participants and Clearstream Banking participants may not deliver instructions directly to the common depositary.

Because of time zone differences, the securities account of a Euroclear or Clearstream Banking participant purchasing an interest in a Global Note from a participant in DTC will be credited, and any such crediting will be reported to the relevant Euroclear or Clearstream Banking participant, during the securities settlement processing day (which must be a business day for Euroclear or Clearstream Banking, as the case may be) immediately following the settlement date of DTC. Cash received in Euroclear and Clearstream Banking as a result of sales of interests in a Global Note by or through a Euroclear or Clearstream Banking participant to a participant in DTC will be received with value on the settlement date of DTC but will be available in the relevant Euroclear or Clearstream Banking cash account only as of the business day for Euroclear or Clearstream Banking following DTC's settlement date.

Although DTC, Euroclear and Clearstream Banking are expected to follow the foregoing procedures in order to facilitate transfers of interests in the Global Notes among participants of DTC, Euroclear or Clearstream Banking, as the case may be, they are under no obligation to perform or continue to perform such procedures, and such procedures may be discontinued at any time. None of the Issuers, the Trustee or any Paying Agent will have any responsibility for the performance by DTC, Euroclear or Clearstream Banking or their respective participants or indirect participants of their respective obligations under the rules and procedures governing their operations.

### **Trustee's Powers**

In considering the interests of the holders of the notes, while title to the notes is registered in the name of a nominee for a clearing system, the Trustee may have regard to any information provided to it by that clearing system as to the identity (either individually or by category) of its accountholders with entitlements to notes and may consider such interests as if such accountholders were the holders of the notes.

### **Enforcement**

For the purposes of enforcement of the provisions of the Indenture governing the notes against the Trustee, the persons named in a certificate of the holder of the notes in respect of which a Global Note is issued shall be recognized as the beneficiaries of the trusts set out in the Indenture governing the notes to the extent of the principal amounts of their interests in notes set out in the certificate of the holder, as if they were themselves the holders of notes in such principal amounts.

## TAXATION

*If you are a prospective investor, you should consult your tax advisor on the possible tax consequences of buying, holding or selling any notes under the laws of your country of citizenship, residence or domicile, including the effect of any local taxes applicable to you. The discussions that follow do not purport to be a comprehensive description of all tax considerations which may be relevant to a decision to purchase, hold or sell notes. In particular, these discussions do not consider any specific facts or circumstances that may apply to you. The discussions that follow for each jurisdiction are based upon the applicable laws and interpretations thereof as in effect as of May 2, 2012. These tax laws and interpretations are subject to change, possibly with retroactive or retrospective effect.*

### **Certain U.S. Federal Income Tax Consequences to U.S. Holders**

**To ensure compliance with Internal Revenue Service Circular 230, you are hereby notified that any discussion of tax matters set forth in these listing particulars was written in connection with the promotion or marketing of the transactions or matters addressed herein and was not intended or written to be used, and cannot be used, by any prospective investor, for the purpose of avoiding tax-related penalties under U.S. federal tax law. Each prospective investor should seek advice based on its particular circumstances from an independent tax advisor.**

The following is a summary of certain U.S. federal income tax consequences of the purchase, ownership and disposition of notes as of the date hereof. This summary deals only with notes that are held as capital assets by a U.S. holder (as defined below) who acquired our notes upon original issuance at their “issue price” (the first price at which a substantial amount of notes is sold to investors for cash, not including sales to bond houses, brokers or similar persons or organizations acting in the capacity of underwriters, placement agents or wholesalers).

For purposes of this summary, a “U.S. holder” means a person that is for U.S. federal income tax purposes any of the following:

- an individual who is a citizen or resident of the U.S.;
- a corporation created or organized under the laws of the U.S., any state thereof or the District of Columbia;
- an estate the income of which is subject to U.S. federal income taxation regardless of its source; or
- a trust if it (1) is subject to the primary supervision of a court within the U.S. and one or more U.S. persons have the authority to control all substantial decisions of the trust or (2) has a valid election in effect under applicable U.S. Treasury regulations to be treated as a U.S. person.

This summary is based upon provisions of the Internal Revenue Code of 1986, as amended (the “Code”), and applicable U.S. Treasury regulations, rulings and judicial decisions as of the date hereof. Those authorities may be changed, perhaps retroactively, so as to result in U.S. federal income tax consequences different from those summarized below. This summary does not address all aspects of U.S. federal income taxes, does not address any U.S. federal taxes other than U.S. federal income taxes (such as estate or gift taxes or the Medicare tax on certain investment income) and does not deal with any foreign, state, local or other tax considerations that may be relevant to U.S. holders in light of their particular circumstances. In addition, it does not represent a detailed description of the U.S. federal income tax consequences applicable to you if you are subject to special treatment under the U.S. federal income tax laws. For example, this summary does not address:

- tax consequences to holders who may be subject to special tax treatment, such as dealers in securities or currencies, traders in securities that elect to use the mark-to-market method of accounting for their securities, financial institutions, regulated investment companies, real estate investment trusts, partnerships or other pass-through entities for U.S. federal income tax purposes, tax-exempt entities or insurance companies;
- tax consequences to persons holding the notes as part of a hedging, integrated, constructive sale or conversion transaction or a straddle;
- tax consequences to holders of the notes whose “functional currency” is not the U.S. dollar; or
- alternative minimum tax consequences, if any.

If an entity classified as a partnership for U.S. federal income tax purposes holds our notes, the tax treatment of a partner in such a partnership will generally depend upon the status of the partner and the activities of the partnership. If you are a partner of a partnership considering an investment in our notes, you should consult your own tax advisors.

**If you are considering the purchase of notes, you should consult your own tax advisors concerning the particular U.S. federal tax consequences to you of the purchase, ownership and disposition of the notes, as well as the consequences to you arising under the laws of any other taxing jurisdiction.**

### *Payments of Interest*

Subject to the foreign currency rules discussed below with respect to the Euro notes, interest will generally be taxable to you as ordinary income at the time it is paid or accrued in accordance with your regular method of accounting for U.S. federal income tax purposes. In addition to interest on the notes (without reduction for any tax withheld from the interest payments you receive), you will be required to include in income any Additional Amounts paid in respect of such tax withheld.

You may be entitled to deduct or credit any tax withheld, subject to certain limitations (including that the election to deduct or credit foreign taxes applies to all of your applicable foreign taxes for a particular tax year). Interest on a note (including any Additional Amounts, whether paid on the Dollar notes or the Euro notes), generally will be considered foreign source income and, for purposes of the U.S. foreign tax credit, generally will be considered passive category income or, in the case of certain U.S. holders, general category income. You will generally be denied a foreign tax credit for foreign taxes imposed with respect to the notes where you do not meet a minimum holding period requirement during which you are not protected from risk of loss. The rules governing the foreign tax credit are complex. You are urged to consult your tax advisors regarding the availability of the foreign tax credit under your particular circumstances.

If you hold Euro notes and you use the cash basis method of accounting for U.S. federal income tax purposes, you will be required to include in income (as ordinary income) the U.S. dollar value of the euro interest payment, determined by translating the euros received at the “spot rate” in effect on the date of receipt, regardless of whether the payment is in fact converted into U.S. dollars. You will not recognize foreign currency exchange gain or loss with respect to the receipt of such interest but you may have exchange gain or loss attributable to the actual disposition of the euros so received.

If you hold Euro notes and you use the accrual method of accounting for U.S. federal income tax purposes, you may determine the amount of income recognized with respect to the euro interest payment in accordance with either of two methods. Under the first method, you will be required to include in income (as ordinary income) for each taxable year the U.S. dollar value of the euro-denominated interest that has accrued during such year, determined by translating such interest into U.S. dollars at the average spot rate of exchange for the period or periods (or portions thereof) in such taxable year during which such interest accrued. Under the second method, you may elect to translate interest income into U.S. dollars at the spot rate on (i) the last day of the interest accrual period, (ii) the last day of the taxable year for any portion of any accrual period ending on the last day of such taxable year, or (iii) the date the interest payment is received, if such date is within five business days of the end of the accrual period. This election will apply to all debt obligations you hold from year to year and cannot be changed without the consent of the Internal Revenue Service (the “IRS”).

Upon receipt of an interest payment on a Euro note (including amounts received upon the sale, exchange, retirement, redemption or other taxable disposition of a note attributable to accrued but unpaid interest), a U.S. holder using the accrual method will recognize foreign currency exchange gain or loss, generally treated as ordinary income or loss, in an amount equal to the difference, if any, between the U.S. dollar value of such payment (determined by translating the euros received at the spot rate in effect on the date of receipt) and the U.S. dollar value of the interest previously included in income with respect to such payment, regardless of whether the payment is in fact converted into U.S. dollars at such time. Any such foreign currency exchange gain or loss generally will be treated, for U.S. foreign tax credit purposes, as U.S. source ordinary income or loss, and generally will not be treated as an adjustment to interest income or expense.

### ***Sale, Exchange, Retirement, Redemption or Other Taxable Disposition of Notes***

Upon the sale, exchange, retirement, redemption or other taxable disposition of a note, you generally will recognize gain or loss equal to the difference, if any, between the amount realized upon such sale, exchange, retirement, redemption or other taxable disposition (less an amount equal to any accrued but unpaid interest, which will be taxable as interest income to the extent not previously included in income) and your adjusted tax basis in the note.

Your initial tax basis in a Dollar note will generally be your cost for the note. Your initial tax basis in a Euro note generally will be the U.S. dollar value of the euros paid for such note determined at the spot rate at the time of purchase. If your note is sold, exchanged, retired, redeemed or otherwise disposed of in a taxable transaction for euros, then your amount realized generally will be the U.S. dollar value of the euros received based on the spot rate in effect on the date of such sale, exchange, retirement, redemption or other taxable disposition. However, if you are a cash method taxpayer and the notes are traded on an established securities market, euros paid or received will be translated into U.S. dollars at the spot rate on the settlement date of the purchase or sale. An accrual method taxpayer may elect the same treatment with respect to the purchase or sale of notes traded on an established securities market, provided that the election is applied consistently to all debt instruments held by such U.S. holder. Such election cannot be changed without the consent of the IRS.

Subject to the foreign currency rules discussed below, any gain or loss recognized will generally be capital gain or loss and will be long-term capital gain or loss if at the time of the sale, exchange, retirement, redemption or other taxable disposition, you have held the note for more than one year. Capital gains of non-corporate U.S. holders (including individuals) derived with respect to capital assets held for more than one year are eligible for reduced rates of taxation. The deductibility of capital losses is subject to limitations. Any gain or loss realized by you on the sale, exchange, retirement, redemption or other taxable disposition of a note would generally be treated as U.S. source gain or loss.

A portion of any gain or loss with respect to the principal amount of a Euro note may be treated as exchange gain or loss. Any exchange gain or loss will be treated as ordinary income or loss and generally will be U.S. source gain or loss for U.S. foreign tax credit purposes. For these purposes, the principal amount of the Euro note is your purchase price for the Euro note calculated in euros on the date of purchase, and the amount of exchange gain or loss recognized is equal to the difference, if any, between (i) the U.S. dollar value of the principal amount determined at the spot rate on the date of the sale, exchange, retirement, redemption or other taxable disposition of the Euro note and (ii) the U.S. dollar value of the principal amount determined at the spot rate on the date you purchased the Euro note (or, possibly, in the case of a cash basis or electing accrual basis taxpayer, the settlement dates of such purchase and taxable disposition, if the note is treated as traded on an established securities market for U.S. federal income tax purposes). The amount of exchange gain or loss will be limited to the amount of overall gain or loss realized on the disposition of the note.

### ***Exchange Gain or Loss with Respect to Foreign Currency***

Your tax basis in any euro received as interest on or on the sale, exchange, retirement, redemption or other taxable disposition of a note will be the U.S. dollar value thereof at the spot rate in effect on the date the euros are received. As discussed above, if the notes are traded on an established securities market, a cash basis U.S. holder (or, upon election, an accrual basis U.S. holder) will determine the U.S. dollar value of the euros by translating the euros received at the spot rate of exchange on the settlement date of the sale, exchange, retirement, redemption or other taxable disposition. Accordingly, your tax basis in the euros received would be equal to the spot rate of exchange on the settlement date.

Any gain or loss recognized by you on a sale, exchange or other disposition of a euro will be ordinary income or loss and generally will be U.S. source gain or loss for U.S. foreign tax credit purposes.

### ***Reportable Transactions***

U.S. Treasury regulations issued under the Code meant to require the reporting of certain tax shelter transactions could be interpreted to cover transactions generally not regarded as tax shelters, including certain foreign currency transactions. Under the U.S. Treasury regulations, certain transactions are required to be reported to the IRS, including, in certain circumstances, a sale, exchange, retirement, redemption or other taxable disposition of a foreign currency note or foreign currency received in respect of a foreign currency note to the extent that such sale, exchange, retirement, redemption or other taxable



disposition results in a tax loss in excess of a threshold amount. If you are considering the purchase of a Euro note, you should consult your own tax advisors to determine the tax return obligations, if any, with respect to an investment in the Euro notes, including any requirement to file IRS Form 8886 (Reportable Transaction Disclosure Statement) as part of your U.S. federal income tax return.

### ***Backup Withholding and Information Reporting***

Generally, information reporting requirements will apply to all payments of interest on and the proceeds from a sale, exchange, retirement, redemption or other disposition of a note paid to you, unless you are an exempt recipient (such as a corporation). Additionally, if you fail to provide your taxpayer identification number or to certify that you are not subject to backup withholding, you may be subject to backup withholding with respect to the foregoing amounts.

Backup withholding is not an additional tax. Any amounts withheld under the backup withholding rules generally will be allowed as a refund or a credit against your U.S. federal income tax liability, if any, provided the required information is timely furnished to the Internal Revenue Service.

### ***Foreign Financial Asset Reporting***

Certain U.S. holders are required to report information relating to an interest in the notes, subject to certain exceptions (including an exception for notes held in accounts maintained by U.S. financial institutions), by attaching a complete IRS Form 8938, Statement of Specified Foreign Financial Assets, with their tax return for each year in which they hold an interest in the notes. You are urged to consult your own tax advisors regarding information reporting requirements relating to your ownership of the notes, including the significant penalties for non-compliance.

### **Taxation in the Kingdom of Spain**

The information provided below does not purport to be a complete analysis of the tax law and practice currently applicable in Spain and does not purport to address the tax consequences applicable to all categories of investors, some of which may be subject to special rules.

Prospective purchasers of the notes are advised to consult their own tax advisors as to the tax consequences, including those under the tax laws of the country of which they are resident, of purchasing, owning and disposing of notes.

This tax section is based on Spanish law as in effect on May 2, 2013 as well as on administrative interpretation thereof, and is subject to any change in such law that may take effect after such date.

This information has been prepared in accordance with the following Spanish tax legislation in force on May 2, 2013:

- (i) for individuals resident for tax purposes in Spain who beneficially own the notes which are subject to the Individual Income Tax (“IIT”), Law 35/2006 of November 28 on the IIT Law and on the partial amendment of the Corporate Income Tax Law, the Non-Resident Income Tax Law and the Net Wealth Tax Law, as amended, and Royal Decree 439/2007 of March 30, promulgating the IIT Regulations;
- (ii) for legal entities resident for tax purposes in Spain who beneficially own the notes which are subject to the Corporate Income Tax (“CIT”), Royal Legislative Decree 4/2004 of March 5 promulgating the Consolidated Text of the CIT Law, as amended, and Royal Decree 1777/2004 of July 30 promulgating the CIT Regulations; and
- (iii) for non-Spanish tax residents investors acting through a permanent establishment in Spain who beneficially own the notes which are subject to the Non-Resident Income Tax (“NRIT”), Royal Legislative Decree 5/2004 of March 5 promulgating the Consolidated Text of the NRIT Law, as amended, and Royal Decree 1776/2004 of July 30 promulgating the NRIT Regulations.

Whatever the nature and residence of the noteholder, the acquisition and transfer of notes will be exempt from indirect taxes in Spain, *i.e.*, exempt from Transfer Tax and Stamp Duty, in accordance with the Consolidated Text of such tax promulgated by Royal Legislative Decree 1/1993 of September 24 and exempt from Value Added Tax, in accordance with Law 37/1992 of December 28 regulating such tax.

For the purposes of this section we have assumed that the Issuer is a company resident for tax purposes in Luxembourg, that it will be entitled to obtain the corresponding tax residence certificate and that it does not perform its activity through a permanent establishment located within the Spanish territory.

### ***Individuals with Tax Residency in Spain***

#### ***Individual Income Tax (Impuesto sobre la Renta de las Personas Físicas)***

Both interest periodically received and income derived from the transfer, redemption or repayment of the notes constitute a return on investment obtained from the transfer of a person's own capital to third parties in accordance with the provisions of Section 25.2 of the IIT Law, and must be included in the investor's IIT savings taxable base and taxed, currently, at a flat rate of 21% on the first €6,000, 25% on the following €18,000 and 27% for any amount in excess of €24,000.

If the notes are deposited with or managed by a financial institution resident in Spain, or acting through a permanent establishment in Spain, in accordance with the Spanish tax laws in force, such financial institution, acting as depositary or manager of such notes, will be responsible for making the relevant Spanish withholding on account of tax on any payment to a Spanish holder deriving from the notes (currently at a rate of 21%). In this case, the Spanish holder may credit the withholding against his or her final IIT liability for the relevant tax year.

#### ***Net Wealth Tax (Impuesto sobre el Patrimonio)***

Reestablishment of the Net Wealth Tax (NWT), which was originally foreseen for years 2011 and 2012, has been also extended for year 2013 by virtue of Law 16/2012, of December 27<sup>th</sup>.

In general terms, for tax year 2013, Spanish resident tax individuals are subject to Spanish Net Wealth Tax (Spanish Law 19/1991), which imposes a tax on property and rights in excess of €700,000 held at December 31<sup>st</sup> for each year.. Spanish tax resident individuals whose net worth is above €700,000 and who hold Notes on the last day of any year would therefore be subject to Spanish Net Wealth Tax for such year at marginal rates varying between 0.2% and 2.5% of the average market value of the notes during the last quarter of such year.

Notwithstanding the above, Spanish regions are authorized to set their own tax rates and allowances and also to modify the minimum tax exemption. Therefore, an analysis must be made in each specific case to determine to what extent any regional legislation might be applicable, since there might be differences depending on the region in which an investor resides.

#### ***Inheritance and Gift Tax (Impuesto sobre Sucesiones y Donaciones)***

Individuals who are resident in Spain for tax purposes who acquire ownership or other rights over any notes by inheritance, gift or legacy will be subject to the Spanish Inheritance and Gift Tax (IGT) in accordance with the applicable Spanish regional and state rules. The applicable tax rates range between 7.65% and 81.6% for 2013, depending on relevant factors.

It is necessary to take into account that the IGT is a tax, in some relevant aspects (including certain tax benefits), which has been transferred to the Spanish regions and, following this power, some territories have, in practice, eliminated the taxation.

Then, a particular analysis should be made in each specific case since there might be relevant differences *vis-a-vis* the tax treatment above summarized.

### ***Legal Entities with Tax Residency in Spain***

#### ***Corporate Income Tax (Impuesto sobre Sociedades)***

Both interest periodically received and income derived from the transfer, redemption or repayment of the notes are subject to CIT (at the current general flat tax rate of 30% for 2013) in accordance with the rules for this tax.

Notwithstanding the above, to the extent that the notes were traded on an OECD country organized market, no withholding tax on account of Spanish taxes will be levied in Spain arising from the notes. However, the financial institution (if tax resident in Spain or acting through a permanent establishment in Spain) acting as a paying agent or intervening in the transfer, redemption or repayment of the notes will be obliged to provide some information to the Spanish Tax Authorities.

### *Inheritance and Gift Tax (Impuesto sobre Sucesiones y Donaciones)*

Legal entities resident in Spain for tax purposes which acquire ownership or other rights over the notes by inheritance, gift or legacy are not subject to the Spanish Inheritance and Gift Tax but must include the market value of the notes in their taxable income for CIT purposes.

### *Non-Tax Residents in Spain acting through a permanent establishment in Spain*

If the notes form part of the assets of a permanent establishment in Spain of a person or legal entity who is not resident in Spain for tax purposes, the tax rules applicable to income deriving from such notes are, generally, the same as those set out above for Spanish CIT taxpayers. See “—Legal Entities with Tax Residency in Spain—Corporate Income Tax (*Impuesto sobre Sociedades*).” Ownership of the notes by investors who are not resident in Spain for tax purposes will not in itself create the existence of a permanent establishment in Spain.

### **Luxembourg Taxation**

The following is a summary of certain Luxembourg tax considerations applicable to certain holders of the notes. This information is of a general nature only and does not purport to be a comprehensive description of all tax implications that might be relevant to an investment decision. It is included herein solely for preliminary information purposes. It is not intended to be, nor should it be construed to be, legal or tax advice. It is a description of the essential material Luxembourg tax consequences with respect to the notes and may not include tax considerations that arise from rules of general application or that are generally assumed to be known by holders of the notes. This summary is based on the laws in force in Luxembourg law on May 2, 2013 and is subject to any change in law that may take effect after such date. Holders of the notes who are in doubt as to their tax position should consult their professional advisers.

Please be aware that the residence concept used under the respective headings below applies for Luxembourg income tax assessment purposes only. In addition, any reference to a tax, duty, levy, impost or other charge or withholding of a similar nature refers to Luxembourg tax law and/or concepts only. Also, please note that a reference to Luxembourg income tax encompasses corporate income tax (*impôt sur le revenu des collectivités*), municipal business tax (*impôt commercial communal*), a solidarity surcharge (*contribution au fonds pour l'emploi*) as well as personal income tax (*impôt sur le revenu*) generally. Holders of the notes may further be subject to net wealth tax (*impôt sur la fortune*) as well as other duties, levies or taxes. Corporate income tax, municipal business tax as well as the solidarity surcharge invariably apply to most corporate taxpayers resident of Luxembourg for tax purposes. Individual taxpayers are generally subject to personal income tax and the solidarity surcharge. Under certain circumstances, where an individual taxpayer acts in the course of the management of a professional or business undertaking, municipal business tax may apply as well.

### ***Withholding tax and self-applied tax***

All payments of interest and principal by the Issuer in the context of the holding, disposal, redemption refund or exchange of the notes can be made free and clear of any withholding or deduction for or on account of any taxes of whatsoever nature imposed, levied, withheld, or assessed by Luxembourg or any political subdivision or taxing authority thereof or therein, in accordance with applicable Luxembourg law, subject to the application of the laws dated June 21, 2005 implementing in Luxembourg domestic law the Council Directive 2003/48/EC of June 3, 2003 (the “EU Savings Directive”) and several agreements concluded with certain dependent or associated territories and providing for the possible application of a withholding tax (35%) on interest paid to certain non-Luxembourg resident investors (individuals and certain types of entities called “residual entities”) in the event of the Issuer appointing a paying agent in Luxembourg within the meaning of the above mentioned directive (see paragraph “—EU Savings Directive” below) or agreements, as well as subject to the application, regarding Luxembourg resident individuals, of the Luxembourg law of December 23, 2005, which has introduced a 10% withholding tax (which is final when Luxembourg resident individuals are acting in the context of the management of their private wealth) on savings income (i.e., with certain exemptions, savings income within the meaning of the Luxembourg laws of June 21, 2005 implementing the EU Savings Directive).

In addition, pursuant to the law of December 23, 2005 as amended by the law of July 17, 2008, Luxembourg resident individuals who are the beneficial owners of savings income paid by a paying agent established outside Luxembourg, in a Member State of either the European Union or the European Economic Area, or in a jurisdiction having concluded an agreement with Luxembourg in connection with

the EU Savings Directive can opt to self declare and pay a 10% tax on this savings income. This 10% tax is final when Luxembourg resident individuals are acting in the context of the management of their private wealth.

Responsibility for the withholding of tax in application of the above mentioned Luxembourg laws of June 21, 2005 and December 23, 2005 is assumed by the Luxembourg paying agent within the meaning of these laws and not by the Issuer.

### ***Taxes on Income and Capital Gains***

Luxembourg resident holders of notes will not be liable for any Luxembourg income tax on repayment of principal.

Interest received by an individual resident in Luxembourg is, in principle, subject to withholding tax or to the self-applied 10% tax (see above “Withholding tax and self-applied tax”). This withholding tax or self applied tax represents the final tax liability for Luxembourg individual resident taxpayers receiving the interest payment in the course of their private wealth. Individual Luxembourg resident holders of notes receiving the interest as business income must include this interest in their taxable basis. If applicable, the 10% Luxembourg withholding tax levied will be credited against their final income tax liability.

Luxembourg resident individual holders of notes are not subject to taxation on capital gains upon the disposal of the notes, unless the disposal of the notes precedes the acquisition of the notes or the notes are disposed of within six months of the date of acquisition of these notes. Upon the sale, redemption or exchange of the notes, accrued but unpaid interest will be subject to the 10% withholding tax, if applicable. Individual Luxembourg resident holders of notes receiving the interest as business income must also include the portion of the price corresponding to this interest in their taxable income. The 10% Luxembourg withholding tax levied will be credited against their final income tax liability.

Luxembourg resident corporate holders of notes, or holders of notes who have a permanent establishment, a permanent representative or a fixed base of business in Luxembourg with which the holding of the notes is connected, must for income tax purposes include in their taxable income any interest (including accrued but unpaid interest) as well as the difference between the sale or redemption price and the lower of the cost or book value of the notes sold or redeemed.

Luxembourg resident corporate holders of notes which are companies benefiting from a special tax regime (such as family wealth management companies subject to the amended law of May 11, 2007, undertakings for collective investment subject to the amended law of December 17, 2010 or specialized investment funds subject to the amended law of February 13, 2007) are tax exempt entities in Luxembourg, and are thus not subject to any Luxembourg tax (i.e., corporate income tax, municipal business tax and net wealth tax) other than the annual subscription tax calculated on their (paid up) share capital (and share premium) or net asset value.

### ***Net Wealth Tax***

Luxembourg net wealth tax will not be levied on a holder of a note unless:

- (1) such holder is, or is deemed to be, resident in Luxembourg for the purpose of the relevant provisions, with the exception of the following entities that are net wealth tax exempt, being (i) undertakings for collective investment within the meaning of the amended laws of December 17, 2010 or of February 13, 2007, (ii) investment companies in risk capital (SICARs) within the meaning of the amended law dated June 15, 2004, (iii) securitization entities within the meaning of the amended law dated March 22, 2004 and (iv) family wealth management companies within the meaning of the amended law of May 11, 2007; or
- (2) such note is attributable to an enterprise or part thereof which is carried on through a permanent establishment or a permanent representative in Luxembourg.

Regarding individuals, the Luxembourg law of December 23, 2005 abolished the net wealth tax with effect from the year 2006.

### ***Inheritance and Gift Tax***

Where the notes are transferred for no consideration:

- (1) No Luxembourg inheritance tax is levied on the transfer of the notes upon death of a holder of a note in cases where the deceased holder was not a resident of Luxembourg for inheritance tax purposes;
- (2) Luxembourg gift tax will be levied in the event that the gift is made pursuant to a notarial deed signed before a Luxembourg notary or is registered in Luxembourg.

### ***Value Added Tax***

There is no Luxembourg value added tax payable in respect of payments in consideration for the issue of the notes or in respect of the payment of interest or principal under the notes or the transfer of a note; *provided* that Luxembourg value added tax may, however, be payable in respect of fees charged for certain services rendered to the Issuer, if for Luxembourg value added tax purposes such services are rendered, or are deemed to be rendered, in Luxembourg and an exemption from value added tax does not apply with respect to such services.

### ***Other Taxes and Duties***

Under Luxembourg tax law and current administration practice, it is not compulsory that the notes be recorded or enrolled with any court or other authority in Luxembourg or that registration tax, transfer tax, capital tax, stamp duty or any other similar tax or duty (other than court fees and contributions for the registration with the Chamber of Commerce) be paid in respect of or in connection with the execution, delivery or enforcement by legal proceedings (including any foreign judgment in the courts of Luxembourg) of the notes in accordance therewith, except that in case of court proceedings in a Luxembourg court (including but not limited to a Luxembourg Insolvency Proceeding), registration of the notes may be ordered by the court (and even in the absence of such order, registration could in principle be required in the event the notes are produced either directly or by way of reference before such Luxembourg court, including in any act introducing legal proceedings), in which case the notes will be subject to a fixed duty of €12 or an *ad valorem* duty. Registration would in principle further be ordered, and the same registration duties could be due, when the notes are produced, either directly or by way of reference, before an official authority (*autorité constituée*) in Luxembourg.

### ***Residence***

A holder of a note will not become resident, or deemed to be resident, in Luxembourg by reason only of the holding of such note or the execution, performance, delivery or enforcement of that or any other note.

### ***EU Savings Directive***

On June 3, 2003, the EU Council of Economic and Finance Ministers adopted a new directive regarding the taxation of savings income (the “EU Savings Directive”). The EU Savings Directive is, in principle, applied by Member States as from July 1, 2005 and has been implemented in Luxembourg by the laws of 21 June 2005. Under the EU Savings Directive, each Member State is required to provide to the tax authorities of another Member State details of payments of interest or other similar income paid by a paying agent within the meaning of the EU Savings Directive to an individual resident or certain types of entities called “residual entities” established in that other Member State (or certain dependent and associated territories i.e., Jersey, Guernsey, Isle of Man, Montserrat, British Virgin Islands, Aruba and Curaçao, Sint Maarten, as well as Bonaire, Saba and Saint Eustatius (i.e., the former Netherlands Antilles)). For a transitional period, however, Austria, Belgium and Luxembourg are permitted to apply an optional information reporting system whereby if a beneficial owner does not comply with one of two procedures for information reporting, the Member State will levy a withholding tax on payments to such beneficial owner. By Royal Decree dated September 27, 2009 and published in the Belgian Official Gazette on October 1, 2009, the Belgian State elected to abandon the transitional withholding system and provide information in accordance with the Directive as from January 1, 2010. The current rate of withholding is of 35% and the withholding tax system will apply for a transitional period. The transitional period is to terminate at the end of the first full fiscal year following agreement by certain non-EU countries to the exchange of information relating to such payments.

Also with effect from July 1, 2005, a number of non-EU countries (Switzerland, Andorra, Liechtenstein, Monaco and San Marino) and certain dependent or associated territories (Jersey, Guernsey, Isle of Man,



Montserrat, British Virgin Islands, Anguilla, Turks and Caicos, Cayman Islands, Aruba and Curaçao, Sint Maarten, as well as Bonaire, Saba and Saint Eustatius (i.e., the former Netherlands Antilles)) have agreed to adopt similar measures (either provision of information or transitional withholding) in relation to payments made by a paying agent (within the meaning of the EU Savings Directive) within its jurisdiction to, or collected by such a paying agent for, an individual resident or a residual entity established in a Member State. In addition, the Member States have entered into reciprocal provision of information or transitional withholding arrangements with certain of those dependent or associated territories (Jersey, Guernsey, Isle of Man, Montserrat, British Virgin Islands, Aruba, Curaçao, Sint Maarten, as well as Bonaire, Saba and Saint Eustatius (i.e., the former Netherlands Antilles)) in relation to payments made by a paying agent (within the meaning of the EU Savings Directive) in a Member State to, or collected by such a paying agent for, an individual resident or a residual entity established in one of those territories.

On 15 September 2008 the European Commission issued a report to the Council of the European Union on the operation of the Directive, which included the Commission's advice on the need for changes to the Directive. On 13 November 2008, the European Commission published a detailed proposal for amendments to the Directive. The European Parliament approved an amended version of this proposal on 24 April 2009. If any of those proposed changes are made in relation to the Directive they may amend or broaden the scope of the requirements described above.

## ERISA CONSIDERATIONS

The following is a summary of certain considerations associated with the purchase of the notes by employee benefit plans that are subject to Title I of the U.S. Employee Retirement Income Security Act of 1974, as amended (“ERISA”), plans, individual retirement accounts and other arrangements that are subject to Section 4975 of the Code or provisions under any Federal, state, local, non-U.S. or other laws or regulations that are similar to such provisions of ERISA or the Code (collectively, “Similar Laws”), and entities whose underlying assets are considered to include “plan assets” of such plans, accounts and arrangements pursuant to the U.S. Department of Labor “plan assets” regulation, 29 CFR Section 2510.3-101, as amended by Section 3(42) of ERISA (each, a “Plan”).

### General Fiduciary Matters

ERISA and the Code impose certain duties on persons who are fiduciaries of a Plan subject to Title I of ERISA or Section 4975 of the Code (an “ERISA Plan”) and prohibit certain transactions involving the assets of an ERISA Plan and its fiduciaries or other interested parties. Under ERISA and the Code, any person who exercises any discretionary authority or control over the administration of such an ERISA Plan or the management or disposition of the assets of such an ERISA Plan, or who renders investment advice for a fee or other compensation to such an ERISA Plan, is generally considered to be a fiduciary of the ERISA Plan.

In considering an investment in the notes of a portion of the assets of any Plan, a fiduciary should determine whether the investment is in accordance with the documents and instruments governing the Plan and the applicable provisions of ERISA, the Code or any Similar Law relating to the fiduciary’s duties to the Plan including, without limitation, the prudence, diversification, delegation of control and prohibited transaction provisions of ERISA, the Code and any other applicable Similar Laws.

### Prohibited Transaction Laws

Section 406 of ERISA and Section 4975 of the Code prohibit ERISA Plans from engaging in specified transactions involving plan assets with persons or entities who are “parties in interest”, within the meaning of Section 3(14) of ERISA, or “disqualified persons”, within the meaning of Section 4975 of the Code, unless an exemption is available. A party in interest or disqualified person who engages in a non-exempt prohibited transaction may be subject to excise taxes and other penalties and liabilities under ERISA and the Code. In addition, the fiduciary of the ERISA Plan that engages in such a non-exempt prohibited transaction may be subject to penalties and liabilities under ERISA and the Code.

The acquisition or holding of the notes by a Plan with respect to which the Issuer or any of its affiliates are considered a party in interest or a disqualified person may constitute or result in a direct or indirect prohibited transaction under Section 406 of ERISA and Section 4975 of the Code, unless the investment is acquired and is held in accordance with an applicable statutory, class or individual prohibited transaction exemption. In this regard, the U.S. Department of Labor has issued prohibited transaction class exemptions (“PTCEs”) that may apply to the acquisition and holding of the notes. These class exemptions include, without limitation, PTCE 84-14 respecting transactions determined by independent qualified professional asset managers, PTCE 90-1 respecting insurance company pooled separate accounts, PTCE 91-38 respecting bank collective investment funds, PTCE 95-60 respecting life insurance company general accounts and PTCE 96-23 respecting transactions determined by in-house asset managers. There can be no assurance that any class exemption or any other exemption will be available with respect to any particular transaction involving the notes, or that if an exemption is available, it will cover all aspects of any particular transaction.

Because of the foregoing, the notes should not be purchased or held by any person investing “plan assets” of any Plan, unless such purchase and holding will not constitute or result in a non-exempt prohibited transaction under ERISA and the Code or a violation of any applicable Similar Laws.

### Representation

Accordingly, by acceptance of a note or any interest therein, each purchaser and holder (including each transferee) will be deemed to have represented and warranted at the time of its purchase and throughout the period that it holds such note or interest therein, that (A) either (i) it is not, and is not acting on behalf of (and for so long as it holds such note (or any interest therein) will not be, or be acting on behalf of), a Plan, and is not acquiring the note directly or indirectly with the assets of a person who is or while the note

is held will be, a Plan, or (ii) the purchase and holding of the notes will not constitute or result in a non-exempt prohibited transaction under Section 406 of ERISA or Section 4975 of the Code or a violation under any applicable Similar Laws and will not subject the Issuer to any laws, rules, or regulations applicable to such Plan solely as a result of the investment in the Issuer by such Plan, (B) neither the Issuer nor any of its affiliates is a “fiduciary” (within the meaning of ERISA Section 3(21) or any Similar Laws) with respect to the purchaser or holder in connection with such person’s purchase or holding of the notes, or as a result of any exercise by the Issuer or any of its affiliates of any rights in connection with the notes, and (C) it will not sell or otherwise transfer any such note or interest to any person without first obtaining these same foregoing deemed representations, warranties and covenants from that person.

The foregoing discussion is general in nature and is not intended to be all-inclusive. Due to the complexity of these rules and the penalties that may be imposed upon persons involved in non-exempt prohibited transactions, it is particularly important that fiduciaries, or other persons considering purchasing the notes on behalf of, or with the assets of, any Plan, consult with their counsel regarding the potential applicability of ERISA, Section 4975 of the Code and any Similar Laws to such investment and whether an exemption would be applicable to the purchase and holding of the notes.

The sale of notes to a Plan is in no respect a representation by the Issuers that such an investment meets all relevant legal requirements with respect to investments by Plans generally or any particular Plan, or that such an investment is appropriate for Plans generally or any particular Plan.

## PLAN OF DISTRIBUTION

Under the terms and subject to the conditions contained in a purchase agreement dated May 2, 2013, we agreed to sell to the Initial Purchasers, for whom Deutsche Bank AG, London Branch was acting as representative for the Euro note Initial Purchasers and Deutsche Bank Securities Inc. was acting as representative for the Dollar note Initial Purchasers, on a several and not joint basis, the following respective principal amount of notes:

<b>Dollar note Initial Purchasers</b>	<b>Principal amount of Dollar notes (\$)</b>
Deutsche Bank Securities Inc. . . . .	77,350,000
Banco Bilbao Vizcaya Argentaria, S.A. . . . .	26,600,000
Banco Santander, S.A. . . . .	26,600,000
Bankia, S.A. . . . .	26,600,000
Barclays Bank PLC . . . . .	26,600,000
CaixaBank S.A. . . . .	26,600,000
Commerz Markets LLC . . . . .	26,600,000
Itau BBA International Limited . . . . .	26,600,000
J.P. Morgan Securities LLC . . . . .	26,600,000
Merrill Lynch, Pierce, Fenner & Smith Incorporated . . . . .	26,600,000
Société Générale . . . . .	26,600,000
Banco de Sabadell, S.A. . . . .	6,650,000
<b>Total . . . . .</b>	<b>350,000,000</b>

<b>Euro note Initial Purchasers</b>	<b>Principal amount of Euro notes (€)</b>
Deutsche Bank AG, London Branch . . . . .	110,500,000
Banco Bilbao Vizcaya Argentaria, S.A. . . . .	38,000,000
Banco Santander, S.A. . . . .	38,000,000
Bankia, S.A. . . . .	38,000,000
Barclays Bank PLC . . . . .	38,000,000
CaixaBank S.A. . . . .	38,000,000
Commerzbank Aktiengesellschaft . . . . .	38,000,000
Itau BBA International Limited . . . . .	38,000,000
J.P. Morgan Securities PLC . . . . .	38,000,000
Merrill Lynch International . . . . .	38,000,000
Société Générale . . . . .	38,000,000
Banco de Sabadell, S.A. . . . .	9,500,000
<b>Total . . . . .</b>	<b>500,000,000</b>

Deutsche Bank Securities Inc. is located at 60 Wall Street, New York, NY 10005, United States, and Deutsche Bank AG London Branch is located at 1 Great Winchester Street, London EC2N 2DB, United Kingdom.

The Initial Purchasers may make offers and sales through certain affiliates of the Initial Purchasers. One or more of the Initial Purchasers may sell through affiliates or other appropriately licensed entities for sales of the notes in jurisdictions in which they are not otherwise permitted.

Banco Bilbao Vizcaya Argentaria, S.A. is not a broker-dealer registered with the SEC participating in the offering exclusively in reliance on regulation S of the Securities Act of 1933 and will not be offering or selling notes to in the U.S. or to U.S. citizens or residents.

Itau BBA International Limited is not a broker-dealer registered with the SEC and therefore may not make sales of any notes in the United States or to U.S. persons except in compliance with applicable U.S. laws and regulations. To the extent that Itau BBA International Limited intends to effect sales of the notes in the United States, it will do so only through Itau BBA USA Securities, Inc., or one or more U.S. registered broker-dealers or otherwise as permitted by applicable U.S. law.

Banco Santander, S.A. is not a broker-dealer registered with the SEC and therefore may not make sales of any securities in the United States or to U.S. persons except in compliance with applicable U.S. laws and regulations. Any offers and sales into the United States by Banco Santander, S.A. will only be made

through Santander Investment Securities Inc. or one or more U.S. registered broker-dealers, or otherwise as permitted by applicable U.S. law.

In the purchase agreement, subject to the conditions thereof, the Initial Purchasers have agreed to purchase the Euro notes and Dollar notes offered hereby at a discount from their respective prices indicated on the cover page of these listing particulars and to resell such notes to purchasers as described herein under “Notice to Investors”. The offering of the notes by the Initial Purchasers is subject to receipt and acceptance and subject to the Initial Purchasers’ right to reject any order in whole or in part. After the offering of the notes offered hereby, the offering prices and other selling terms may from time to time be varied by the Initial Purchasers. The purchase agreement provides that the obligation of the Initial Purchasers to pay for and accept delivery of the Euro notes and the Dollar notes is subject to, among other conditions, the delivery of certain legal opinions by our counsel.

The purchase agreement provides that the Issuer and the Guarantors, on one hand, and the several Initial Purchasers, on the other hand, will indemnify each other against certain liabilities, including liabilities under the Securities Act, and will contribute to payments the other may be required to make in respect thereof. In order to facilitate the offering of the notes, the Initial Purchasers may engage in transactions that stabilize, maintain or otherwise affect the prices of the notes. Specifically, the Initial Purchasers may overallocate in connection with this offering, creating a short position in the notes for their own accounts. In addition, to cover overallocations or to stabilize the prices of the notes, the Initial Purchasers may bid for, and purchase, notes in the open market. Finally, the Initial Purchasers may reclaim selling concessions allowed to a trustee or dealer for distributing the notes in this offering if the Initial Purchasers repurchase previously distributed notes in transactions to cover short positions, in stabilization transactions or otherwise. Any of these activities may stabilize or maintain the market price of the notes above independent market levels. The Initial Purchasers are not required to engage in these activities, and may end any of these activities at any time. No assurance can be given that active public markets or other markets will develop for the notes or as to the liquidity of the trading market for the notes.

The Issuer and the Guarantors have agreed that it will not offer, sell, contract to sell or otherwise dispose of any of their debt securities or any debt securities of our subsidiaries similar to the notes during the period beginning on May 2, 2013 and ending on the date that is 90 days following the closing date of this offering without the prior written consent of Deutsche Bank AG, London Branch.

The notes and the related Guarantees have not been and will not be registered under the Securities Act. The Initial Purchasers have agreed that they will only offer or sell the notes (1) outside the United States in offshore transactions in reliance on Regulation S and (2) in the United States to QIBs in reliance on Rule 144A. The terms used above have the meanings given to them by Regulation S and Rule 144A.

In addition, until 40 days after the commencement of the offering of the notes, an offer or sale of such notes within the United States by a dealer that is not participating in the offering of the notes may violate the registration requirements of the Securities Act if such offer or sale is made otherwise than in accordance with Rule 144A or pursuant to another exemption from registration under the Securities Act.

The notes will be new securities for which there are currently no markets. An application will be made for the notes to be listed on the Official List of the Luxembourg Stock Exchange and to be traded on the Euro MTF. However, the Issuer cannot assure you that the initial prices at which the notes will sell in the market after this offering will not be lower than the initial offering prices or that active trading markets for the notes will develop and continue after completion of this offering. The Initial Purchasers have advised us that they currently intend to make a market for the notes. However, the Initial Purchasers are not obligated to do so, and may discontinue any market-making activities with respect to the notes at any time without notice. In addition, market-making activities will be subject to the limits imposed by the Exchange Act, and may be limited. Accordingly, the issuer cannot assure you as to the liquidity of, or trading markets for, the notes.

Each Initial Purchaser has represented and agreed that these listing particulars are directed solely at:

- (i) persons who are outside the United Kingdom;
- (ii) persons who have professional experience in matters relating to investments falling within Article 19(5) of the Financial Services and Markets Act 2000 (Financial Promotion) Order 2005, as amended (the “Order”);
- (iii) high net worth entities, and other persons to whom it may lawfully be communicated, falling within Article 49(2)(a) to (d) of the Order; and



- (iv) persons to whom an invitation or inducement to engage in investment activity (within the meaning of section 21 of the Financial Services and Markets Act 2000) in connection with the issue or sale of any notes may otherwise lawfully be communicated or caused to be communicated,

(all such persons in (i), (ii), (iii) and (iv) above together being referred to as “relevant persons”).

Any investment or investment activity to which these listing particulars relate will only be available to and will only be engaged with, relevant persons. Any person who is not a relevant person should not act or rely on these listing particulars.

Certain of the Initial Purchasers or their respective affiliates that have a lending relationship with us and routinely hedge their credit exposure consistent with their customary risk management policies. Typically, such Initial Purchasers and their respective affiliates would hedge such exposure by entering into transactions which consist of either the purchase of credit default swaps or the creation of short positions in securities, including potentially the notes. Any such short positions could adversely affect future trading prices of the notes. The Initial Purchasers and their affiliates may also make investment recommendations and/or publish or express independent research views in respect of such securities or financial instruments and may hold, or recommend to clients that they acquire, long and/or short positions in such securities and instruments. In addition, the Initial Purchasers and their affiliates may acquire the notes for their own proprietary account.

The Initial Purchasers may also impose a penalty bid. This occurs when a particular Initial Purchaser repays to the Initial Purchasers a portion of the underwriting discount received by it because the representative has repurchased notes sold by or for the account of such purchaser in stabilizing or short covering transactions.

The Initial Purchasers or their respective affiliates have engaged in, and may in the future engage in, investment banking, financial advisory, consulting, commercial banking, and other commercial dealings, including as acting as hedge counterparties with us, our principal shareholders or our affiliates. In addition, the Initial Purchasers or their respective affiliates have lending relationships with us, our principal shareholders or our affiliates including pursuant to bilateral loan facilities, multilateral and/or syndicated loan facilities, guarantee, overdraft or cash management facilities and other forms of credit lines. They have received, and expect to receive, customary fees, commissions and expense reimbursements for these transactions. Each of the Initial Purchasers or their respective affiliates are lenders and/or agents under the Senior Facilities Agreement. In addition, the net proceeds from this offering will be used to repay amounts under certain of our existing debt facilities, including amounts owed to certain of the Initial Purchasers or their respective affiliates as lenders and/or agents under such facilities. See “Use of Proceeds” and “Description of Other Indebtedness—Debt being Repaid”.

## TRANSFER RESTRICTIONS

The Issuer has not registered the notes under the Securities Act and, therefore, the notes may not be offered or sold within the United States or to, or for the account or benefit of, U.S. persons except pursuant to an exemption from, or in a transaction not subject to, the registration requirements of the Securities Act. Accordingly, the notes are only to be offered and sold to:

- QIBs in compliance with Rule 144A under the Securities Act; and
- in offers and sales that occur outside the United States to foreign purchasers, that is, purchasers who are not U.S. persons.

The term “foreign purchasers” includes dealers or other professional fiduciaries in the United States acting on a discretionary basis for foreign beneficial owners, other than an estate or trust, in offshore transactions meeting the requirements of Rule 903 of Regulation S. We use the terms “offshore transaction,” “U.S. person” and “United States” with the meanings given to them in Regulation S.

If you purchase notes, you will be deemed to have represented and agreed as follows:

- (1) You understand and acknowledge that the notes have not been registered under the Securities Act or any other applicable securities laws and that the notes are being offered for resale in transactions not requiring registration under the Securities Act or any other securities laws, including sales pursuant to Rule 144A, and, unless so registered, may not be offered, sold or otherwise transferred except in compliance with the registration requirements of the Securities Act or any other applicable securities laws, pursuant to an exemption therefrom, or in a transaction not subject thereto, and in each case in compliance with the conditions for transfer set forth in paragraph (4) below.
- (2) You are not our “affiliate” (as defined in Rule 144), you are not acting on our behalf and you are either:
  - (a) a QIB and are aware that any sale of these notes to you will be made in reliance on Rule 144A and such acquisition will be for your own account or for the account of another QIB; or
  - (b) not a “U.S. person” as defined in Regulation S or purchasing for the account or benefit of a U.S. person (other than a distributor) and you are purchasing notes in an offshore transaction in accordance with Regulation S.
- (3) You acknowledge that neither the Issuer, the Initial Purchaser nor any person representing the Issuer or the Initial Purchasers has made any representation to you with respect to the Issuer or the offer or sale of any of the notes, other than the information contained in these listing particulars, which listing particulars have been delivered to you and upon which you are relying in making your investment decision with respect to the notes. You acknowledge that the Initial Purchasers make no representation or warranty as to the accuracy or completeness of these listing particulars. You have had access to such financial and other information concerning us and the notes, including an opportunity to ask questions of, and request information from, the Issuer and the Initial Purchasers.
- (4) You are purchasing notes for your own account, or for one or more investor accounts for which you are acting as a fiduciary or agent, in each case for investment, and not with a view to, or for offer or sale in connection with, any distribution thereof in violation of the Securities Act, subject to any requirement of law that the disposition of your property or the property of such investor account or accounts be at all times within your or their control and subject to your or their ability to resell such notes pursuant to Rule 144A, Regulation S or any other available exemption from registration available under the Securities Act. You agree on your own behalf and on behalf of any investor account for which you are purchasing the notes, and each subsequent holder of these notes by its acceptance thereof will agree, to offer, sell or otherwise transfer such notes prior to (x) the date which is one year (or such shorter period of time as permitted by Rule 144(k) under the Securities Act or any successor provision thereunder) after the later of the date of the original issue of these notes and the last date on which the Issuer or any of its affiliates were the owner of such notes (or any predecessor thereto) or (y) such later date, if any, as may be required by applicable law (the “Resale Restriction Termination Date”) only:
  - (a) to us;

- (b) pursuant to a registration statement which has been declared effective under the Securities Act;
- (c) for so long as the notes are eligible for resale pursuant to Rule 144A, to a person you reasonably believe is a QIB that purchases for its own account or for the account of another QIB to whom you give notice that the transfer is being made in reliance on Rule 144A;
- (d) pursuant to offers and sales to non-U.S. persons occurring outside the United States within the meaning of Regulation S; or
- (e) pursuant to any other available exemption from the registration requirements of the Securities Act,

subject in each of the foregoing cases to any requirement of law that the disposition of the seller's property or the property of an investor account or accounts be within the seller or account's control, and in compliance with any applicable state securities laws.

The foregoing restrictions on resale will not apply subsequent to the Resale Restriction Termination Date. You acknowledge that the Issuer, the trustee and the registrar reserve the right prior to any offer, sale or other transfer of the notes pursuant to clause (d) above prior to the end of the 40-day distribution compliance period within the meaning of Regulation S or pursuant to clause (e) above prior to the Resale Restriction Termination Date of the notes to require the delivery of an opinion of counsel, certifications and other information satisfactory to us, the trustee and the registrar.

Each purchaser acknowledges that each note will contain a legend substantially in the following form:

"THIS NOTE HAS NOT BEEN REGISTERED UNDER THE U.S. SECURITIES ACT OF 1933, AS AMENDED (THE "U.S. SECURITIES ACT"), OR OTHER SECURITIES LAWS OF ANY STATE OR OTHER JURISDICTION. NEITHER THIS NOTE NOR ANY INTEREST OR PARTICIPATION HEREIN MAY BE OFFERED, SOLD, ASSIGNED, TRANSFERRED, PLEDGED, ENCUMBERED OR OTHERWISE DISPOSED OF IN THE ABSENCE OF SUCH REGISTRATION UNLESS THE TRANSACTION IS EXEMPT FROM, OR NOT SUBJECT TO, THE REGISTRATION REQUIREMENTS OF THE U.S. SECURITIES ACT.

THE HOLDER OF THIS NOTE BY ITS ACCEPTANCE HEREOF (1) REPRESENTS THAT (A) IT IS A "QUALIFIED INSTITUTIONAL BUYER" (AS DEFINED IN RULE 144A UNDER THE U.S. SECURITIES ACT) OR (B) IT IS NOT A U.S. PERSON AND IS ACQUIRING THIS NOTE IN AN "OFFSHORE TRANSACTION" PURSUANT TO RULE 904 OF REGULATION S UNDER THE U.S. SECURITIES ACT, (2) AGREES THAT IT WILL NOT PRIOR TO (X) THE DATE THAT IS, [IN THE CASE OF RULE 144A NOTES: ONE YEAR] [IN THE CASE OF REGULATION S NOTES: 40 DAYS] AFTER THE LATER OF THE ORIGINAL ISSUE DATE HEREOF (OR OF ANY PREDECESSOR OF THIS NOTE) OR THE LAST DAY ON WHICH THE ISSUER OR ANY AFFILIATE OF THE ISSUER WERE THE OWNERS OF THIS NOTE (OR ANY PREDECESSOR OF THIS NOTE) AND (Y) SUCH LATER DATE, IF ANY, AS MAY BE REQUIRED BY APPLICABLE LAW (THE "RESALE RESTRICTION TERMINATION DATE"), OFFER, SELL OR OTHERWISE TRANSFER THIS NOTE EXCEPT (A) TO THE ISSUER, (B) PURSUANT TO A REGISTRATION STATEMENT WHICH HAS BEEN DECLARED EFFECTIVE UNDER THE U.S. SECURITIES ACT, (C) FOR SO LONG AS THE NOTES ARE ELIGIBLE FOR RESALE PURSUANT TO RULE 144A UNDER THE U.S. SECURITIES ACT, TO A PERSON IT REASONABLY BELIEVES IS A "QUALIFIED INSTITUTIONAL BUYER" AS DEFINED IN RULE 144A UNDER THE U.S. SECURITIES ACT THAT PURCHASES FOR ITS OWN ACCOUNT OR FOR THE ACCOUNT OF ANOTHER QUALIFIED INSTITUTIONAL BUYER TO WHOM NOTICE IS GIVEN THAT THE TRANSFER IS BEING MADE IN RELIANCE ON RULE 144A UNDER THE U.S. SECURITIES ACT, (D) PURSUANT TO OFFERS AND SALES TO NON-U.S. PERSONS THAT OCCUR OUTSIDE THE UNITED STATES WITHIN THE MEANING OF REGULATION S UNDER THE U.S. SECURITIES ACT OR (E) PURSUANT TO ANY OTHER AVAILABLE EXEMPTION FROM THE REGISTRATION REQUIREMENTS OF THE U.S. SECURITIES ACT, AND (3) AGREES THAT IT WILL GIVE TO EACH PERSON TO WHOM THIS NOTE IS TRANSFERRED A NOTICE SUBSTANTIALLY TO THE EFFECT OF THIS LEGEND; PROVIDED THAT THE ISSUER, THE TRUSTEE AND THE REGISTRAR SHALL HAVE THE RIGHT PRIOR TO ANY SUCH OFFER, SALE OR TRANSFER PURSUANT TO CLAUSE (D) PRIOR TO THE END OF THE 40-DAY DISTRIBUTION COMPLIANCE PERIOD WITHIN THE MEANING OF REGULATION S UNDER THE U.S. SECURITIES ACT OR PURSUANT TO

CLAUSE (E) PRIOR TO THE RESALE RESTRICTION TERMINATION DATE TO REQUIRE THAT AN OPINION OF COUNSEL, CERTIFICATIONS AND OTHER INFORMATION SATISFACTORY TO THE ISSUER, THE TRUSTEE AND THE REGISTRAR IS COMPLETED AND DELIVERED BY THE TRANSFEROR. THIS LEGEND WILL BE REMOVED UPON THE REQUEST OF THE HOLDER AFTER THE RESALE RESTRICTION TERMINATION DATE. AS USED HEREIN, THE TERMS “OFFSHORE TRANSACTION,” “UNITED STATES” AND “U.S. PERSON” HAVE THE MEANINGS GIVEN TO THEM BY REGULATION S UNDER THE U.S. SECURITIES ACT”.

If you purchase notes, you will also be deemed to acknowledge that the foregoing restrictions apply to holders of beneficial interests in these notes as well as to holders of these notes.

- (1) You acknowledge that the registrar will not be required to accept for registration of transfer any notes acquired by you, except upon presentation of evidence satisfactory to us and the registrar that the restrictions set forth herein have been complied with.
- (2) You acknowledge that:
  - (a) the Issuer, the Initial Purchasers and others will rely upon the truth and accuracy of your acknowledgements, representations and agreements set forth herein and you agree that, if any of your acknowledgements, representations or agreements herein cease to be accurate and complete, you will notify us and the Initial Purchasers promptly in writing; and
  - (b) if you are acquiring any notes as fiduciary or agent for one or more investor accounts, you represent with respect to each such account that:
    - (i) you have sole investment discretion; and
    - (ii) you have full power to make the foregoing acknowledgements, representations and agreements.
- (3) You agree that you will give to each person to whom you transfer these notes notice of any restrictions on the transfer of the notes.
- (4) If you are a purchaser in a sale that occurs outside the United States within the meaning of Regulation S, you acknowledge that until the expiration of the “distribution compliance period” (as defined below), you shall not make any offer or sale of these notes to a U.S. person or for the account or benefit of a U.S. person within the meaning of Rule 902 under the Securities Act. The “distribution compliance period” means the 40-day period following the issue date for the notes.
- (5) You understand that no action has been taken in any jurisdiction (including the United States) by the Issuer or the Initial Purchasers that would permit a public offering of the notes or the possession, circulation or distribution of these listing particulars or any other material relating to the Issuer or the notes in any jurisdiction where action for that purpose is required. Consequently, any transfer of the notes will be subject to the selling restrictions set forth under “Plan of Distribution”.

Each purchaser and subsequent transferee of notes will also be deemed to have made the representations and warranties set forth in “ERISA Considerations”, above.

## **LEGAL MATTERS**

Certain legal matters in connection with the offering of the notes will be passed upon for the Issuer by Simpson Thacher & Bartlett LLP, as to matters of US federal and New York State law and by Cuatrecasas, Gonçalves Pereira S.L.P. as to matters of Spanish law. Certain legal matters in connection with the offering of the notes will be passed upon for the Initial Purchasers by Cahill Gordon & Reindel LLP, as to matters of US federal and New York State law and by Clifford Chance, S.L. as to matters of Spanish law.

## **INDEPENDENT AUDITORS**

Our consolidated financial statements as of and for the years ended December 31, 2012, 2011 and 2010 included in these listing particulars, have been audited by Ernst & Young S.L., independent auditors, as stated in their unqualified reports appearing herein on pages F-3 to F-5 of these listing particulars.

## **WHERE YOU CAN FIND MORE INFORMATION**

Each purchaser of the notes from the Initial Purchasers will be furnished with a copy of these listing particulars and, to the extent provided to the Initial Purchasers by us for such purpose, any related amendments or supplements to these listing particulars. Each person receiving these listing particulars and any related amendments or supplements to these listing particulars acknowledges that:

- (a) such person has been afforded an opportunity to request from us, and to review and has received, all additional information considered by it to be necessary to verify the accuracy and completeness of the information herein;
- (b) such person has not relied on the Initial Purchasers or any person affiliated with the Initial Purchasers in connection with its investigation of the accuracy of such information or its investment decision; and
- (c) except as provided pursuant to (a) above, no person has been authorized to give any information or to make any representation concerning the notes offered hereby other than those contained herein and, if given or made, such other information or representation should not be relied upon as having been authorized by us or the Initial Purchasers.

We are not currently subject to the periodic reporting and other information requirements of the Exchange Act.

For so long as any of the notes remain outstanding and are “restricted securities” within the meaning of Rule 144A(a)(3) under the Securities Act, we will, during any period in which we are neither subject to the reporting requirements of Section 13 or 15(d) of the Exchange Act, as amended, nor exempt from the reporting requirements under Rule 12g3-2(b) of the Exchange Act, as amended, make available to the holder or beneficial owner of such restricted securities or to any prospective purchaser of such restricted securities designated by such holder or beneficial owner, in each case upon the written request of such holder, beneficial owner or prospective purchaser, the information required to be provided by Rule 144A(d)(4) under the Securities Act. Any such request should be directed to the Issuer.



## ENFORCEABILITY OF CIVIL LIABILITIES

The Issuer is incorporated under the laws of Luxembourg and none of its directors are residents of the United States. Furthermore, a substantial portion of the Issuer's assets and a substantial portion of the assets of such persons are located outside the United States. As a result, it may not be possible for investors to effect service of process within the United States upon the Issuer or such persons, or to enforce against them judgments of U.S. courts predicated upon the civil liability provisions of U.S. Federal or state securities laws.

We have been advised that the United States and Luxembourg are not currently bound by a treaty providing for reciprocal recognition and enforcement of judgments, other than arbitral awards rendered in civil and commercial matters in the territory of the United States and in commercial matters in the territory of Luxembourg. According to such counsel, an enforceable judgment for the payment of monies rendered by any U.S. Federal or state court based on civil liability, whether or not predicated solely upon the U.S. securities laws, would not directly be enforceable in Luxembourg. However, a party who received such favorable judgment in a U.S. court may initiate enforcement proceedings in Luxembourg (*exequatur*) by requesting enforcement of the U.S. judgment by the District Court (*Tribunal d'Arrondissement*) pursuant to articles 678 et seq. of the Luxembourg *Nouveau Code de Procédure Civile*. The District Court will authorize the enforcement in Luxembourg of the U.S. judgment if it is satisfied that all of the following conditions are met:

- the U.S. judgment is enforceable (*executoire*) in the United States;
- the U.S. court awarding the judgment has jurisdiction to adjudicate the respective matter under applicable U.S. Federal or state jurisdiction rules, and that jurisdiction is recognized by Luxembourg private international and local law;
- the U.S. court has applied to the dispute the substantive law which would have been applied by the Luxembourg conflict of laws rules;
- the U.S. Court order or judgment must not have been rendered subsequent to an evasion of Luxembourg law ("*fraude à la loi*");
- the U.S. judgment does not contravene international public policy or order as understood under the laws of Luxembourg or has been given in proceedings of a criminal nature;
- the U.S. court has acted in accordance with its own procedural laws; and
- the judgment was granted following proceedings where the principles of natural justice have been complied with, and where the counterparty was granted the necessary time to prepare its case, had the opportunity to appear, and if it appeared, to present a defense.

In practice, Luxembourg courts now tend not to review the merits of a foreign judgment, although there is no clear statutory prohibition of such review.

If an original action is brought in Luxembourg, Luxembourg courts may refuse to apply the designated law if its application contravenes Luxembourg's international public policy. In an action brought in Luxembourg on the basis, for instance, of U.S. federal or state securities laws, Luxembourg courts may not have the requisite power to grant the remedies sought.

Further, the following discussion with respect to the enforceability of certain U.S. court judgments in Spain is based upon advice provided to us by our Spanish legal advisers. A final and conclusive judgment duly rendered by certain U.S. courts or any other appellate court in the United States would be enforceable in the competent courts of Spain, provided that prior to the time such U.S. court judgment is introduced into a Spanish court for enforcement, there is no material contradiction or incompatibility with a judgment rendered or judicial proceedings outstanding in Spain, in accordance with Article 523.2 and the Derogation Provision of the current Civil Procedural Law and subject to the former Civil Procedural Law of 1881, the substantive provisions of which are found in Articles 951 to 958, both inclusive. Such provisions and the case law set forth that any final judgment rendered outside Spain may be enforced in Spain in three different situations: (i) in the cases and in accordance with the provisions of any applicable treaty; (ii) in the absence of any such treaty, in case it is alleged and evidenced that the jurisdiction where the foreign judgment was given recognizes Spanish judgments on a reciprocal basis when the requirements established in such foreign jurisdiction for the recognition of Spanish judgments are complied with and provided that some minimal conditions are met (inter alia, that the matter is not subject to Spanish exclusive jurisdiction for certain matters, does not infringe public policy and is not in contradiction with a

previous Spanish judgment); and (iii) in the absence of an applicable treaty and when the positive reciprocity has not been evidenced, in those cases in which the judgment given in the foreign jurisdiction complies with the requirements set forth in article 954 of the Civil Procedural Law of 1881 which are that (a) the judgment has been rendered as a result of an action “*in personam*” (as opposed to an action “*in rem*”); (b) the defendant has been properly served with the originating process; (c) the obligation to be enforced is legal under Spanish law; (d) the documentation prepared for the purpose of requesting the enforcement meets all requirements under the law of the United States in order to be considered an authentic judgment and it also meets all requirements under the laws of Spain; and (e) it is not evidenced that a Spanish judgment would not be recognized by and would not be enforceable in the relevant jurisdiction of the United States on a reciprocal basis. Since there is no applicable treaty between Spain and the United States, unless the conditions under (ii) above are met and, in accordance with certain court precedents, even if these conditions are met, the conditions referred to in (iii) above will have to be satisfied in order to enforce a judgment of a U.S. court in Spain.

The Issuer and the Guarantors have agreed that any suit, action or proceeding arising out of or based upon the Indenture, the notes or the Guarantees may be instituted in any Federal or state court located in New York City, and the Issuer and the Guarantors have appointed CT Corporation System as their agent for service of process in any such suit, action or proceeding.

## LISTING AND GENERAL INFORMATION

1. Application will be made for the notes to be listed on the Official List of the Luxembourg Stock Exchange and to be traded on the Euro MTF.
2. So long as the notes are listed on the Official List of the Luxembourg Stock Exchange and are traded on the Euro MTF and the rules of such exchange shall so require, copies of these Listing Particulars the Articles of Association of the Issuer, our Articles of Association and the Indenture governing the notes will be available free of charge at the specified office of the Listing Agent in Luxembourg referred to in paragraph 6 below. So long as the notes are listed on the Official List of the Luxembourg Stock Exchange and are traded on the Euro MTF and the rules of such exchange shall so require, copies of all of our annual and quarterly financial statements and those for all subsequent fiscal years will be available free of charge during normal business hours on any weekday at the offices of such Listing Agent in Luxembourg referred to in paragraph 6 below. The annual and quarterly financial statements of the Issuer will be consolidated into our annual and quarterly financial statements.
3. We accept responsibility for the information contained in these listing particulars. To the best of our knowledge, except as otherwise noted, the information contained in these listing particulars is in accordance with the facts and does not omit anything likely to affect the import of these listing particulars.
4. Save as disclosed herein, there has been no material adverse change in our consolidated financial position since December 31, 2012.
5. Neither we nor any of our subsidiaries is a party to any litigation that, in our judgment, is material in the context of the issue of the notes, except as disclosed herein.
6. We have appointed Deutsche Bank Luxembourg S.A. as our Transfer Agent in Luxembourg. We reserve the right to vary such appointment and shall publish notice of such change of appointment in a newspaper having general circulation in Luxembourg (which is expected to be the *Luxembourg Wort*) or on the Luxembourg Stock Exchange's website, [www.bourse.lu](http://www.bourse.lu). The Transfer Agent in Luxembourg will act as intermediary between the holders of the notes and us and as long as the notes are listed on the Official List of the Luxembourg Stock Exchange and are traded on the Euro MTF and the rules of such exchange shall so require, we will maintain a transfer agent in Luxembourg. The office of the Transfer Agent in Luxembourg is at 2 Boulevard Konrad Adenauer, L-1115 Luxembourg.
7. The Euro notes have been accepted for clearance through the facilities of Euroclear and Clearstream. The ISIN numbers for the Euro notes sold pursuant to Rule 144A and the Euro notes sold pursuant to Regulation S are XSO925126574 and XSO925126491, respectively. The Common Codes for the Euro notes sold pursuant to Rule 144A and the Euro notes sold pursuant to Regulation S are 092512657 and 092512649, respectively. The Dollar notes have been accepted for clearance through the facilities of DTC. The CUSIP numbers for the Dollar notes sold pursuant to Rule 144A and the Dollar notes sold pursuant to Regulation S are 374259AA7 and L43253AA8, respectively. The ISIN numbers for the Dollar notes sold pursuant to Rule 144A and the Dollar notes sold pursuant to Regulation S are US374259AA70 and USL43253AA87, respectively. The Common Codes for the Dollar notes sold pursuant to Rule 144A and the Dollar notes sold pursuant to Regulation S are 692715353 and 092712753, respectively.
8. Gestamp Funding Luxembourg S.A. is a wholly owned Luxembourg finance subsidiary of Gestamp Automoción incorporated in Luxembourg on April 11, 2013 under number B176602 and with its registered office at 34A Boulevard Grande Duchesse Charlotte, L-1330 Luxembourg. The telephone number of the Issuer is +352 26 26 58 75. As of the date of these listing particulars, the Issuer's issued share capital is fully paid and consists of 2 million ordinary shares with a nominal value of EUR 1 each. Each issued ordinary share is held by Gestamp Automoción, S.A. Each ordinary share carries the right to receive dividends and to receive notice of and vote at any general meeting of our shareholders. The Issuer currently has no exchangeable debt securities and no debt securities with warrants attached in issue. The total indebtedness of the Issuer as of the date of these Listing Particulars is approximately €768 million. The Articles of Association of the Issuer were published at the Registre du Commerce et des Sociétés, Luxembourg, on April 17, 2013. Gestamp Automoción, S.A. is a Sociedad Anónima registered in Spain under number A-48943864 and with its registered office in the industrial park of Lebario S/N 48220 in Abadiño, Spain. Gestamp Automoción was incorporated under the laws of Spain on December 22, 1997.

9. The offering and the issuance of the notes and all matters in connection therewith were approved pursuant to resolutions of the Board of Directors of Gestamp Automoción on April 5, 2013, and by the Issuer pursuant to resolutions of the Board of Directors of the Issuer on April 18, 2013 and April 29, 2013.

## GLOSSARY OF TECHNICAL TERMS

Unless otherwise defined in these listing particulars, the following industry terms and abbreviations when used in these listing particulars have the meaning ascribed to them below.

Abbreviation	Definitions
“bins”	11 certification levels (8 permanent and 3 temporary, which expired in 2008) promulgated under the EPA’s Tier 2 emission standards.
“Body-in-White”	Component parts and assemblies, such as hoods, roofs, doors, fenders and other high quality and high efficiency or “Class A” surfaces and assemblies.
“CAFE”	Corporate average fuel economy set by the NHTSA.
“CARB”	California Air Resource Board in the United States.
“Cataphoretic painting”	A fully automated process of painting by immersion, which is based on the movement of charged particles in an electric field (paint) towards an oppositely charged pole (metallic surface to be painted). The main objective of the coating process is to protect the surfaces from corrosion, and its properties make it the ideal treatment for this purpose
“Chassis”	The internal framework of an automotive vehicle used in automobile manufacturing.
“China IV”	Engine emission standard introduced for heavy diesel vehicles in China, in force in the Beijing region in January 2008, which are expected to come into force nationwide by July 2013.
“Class A surfaces”	Freeform surfaces of high efficiency and quality with G2 (or even G3) curvature continuity to one another.
“CO”	Carbon monoxide.
“Crash box”	Automotive vehicle part for crash energy absorption.
“Die”	Equipment used in the stamping and forming processes to cut or form raw material into a required shape using a press.
“EMAS”	European Union Eco-Management and Audit Scheme.
“EPA”	Environmental Protection Agency in the United States.
“Euro 1”, “Euro 2”, “Euro 3”, “Euro 4”	European Union regulatory standards under Directive 70/220/EEC with respect to emission regulations for new light vehicles, as amended through 2004.
“Euro 5”	European Union regulatory standards under Regulation 715/2007/EC with respect to emissions from light passenger and commercial vehicles, which came into force in September 2009.



Abbreviation	Definitions
“Euro 6”	European Union regulatory standards under Regulation 715/2007/EC with respect to emissions from light passenger and commercial vehicles, which will come into force in September 2014.
“EuroNCAP”	European New Car Assessment Program, established in 1997, and composed of seven European governments and motoring and consumer organizations to encourage safety improvements to new car design.
“HC”	Hydrocarbons.
“IIHS”	Insurance Institute for Highway Safety in the United States an independent, nonprofit scientific and educational organization established to reduce the losses from crashes on the roads.
“ISO 14000”	Standard set by the International Organization for Standardization in relation to various aspects of environmental management.
“JC08”	Japanese chassis dynamometer test cycle for light vehicles used for emission measurement and fuel economy determination, for gasoline and diesel vehicles.
“LEV”	Low emission vehicle.
“LEV I”, “LEV II”, “LEV III”	Regulations issued by CARB in relation to LEVs.
“LPG”	Liquefied petroleum gas.
“M2”	European Union regulatory category under Regulation 510/2011/EC with respect to vehicles for the transportation of passengers, comprising more than eight seats in addition to the driver’s seat and having a maximum mass not exceeding 5 tons.
“Mechanisms”	The moving parts and systems used in an automotive vehicle.
“MEP”	Chinese Ministry of Environmental Protection.
“MPa”	Megapascal, a measure of force per unit area.
“MPVs”	Multi-purpose vans.
“N1”	European Union regulatory category under Regulation 510/2011/EC with respect to vehicles for the transportation of goods, having a maximum mass not exceeding 3.5 tons.
“N2”	European Union regulatory category under Regulation 510/2011/EC with respect to vehicles for the transportation of goods, having a maximum mass exceeding 3.5 tons but not exceeding 12 tons.
“NEDC”	New European Driving Cycle, a test procedure for vehicle efficiency that consists of different drive cycles simulating city and highway conditions and serves as a uniform standard for measuring carbon dioxide emissions

Abbreviation	Definitions
“NG”	Natural gas.
“NHTSA”	National Highway Traffic Safety Administration in the United States that sets CAFE.
“NOx”	Nitrogen oxides.
“NVH”	Noise, vibration and harshness.
“OEMs”	Original equipment manufacturers, a manufacturer of products that are used as components in another company’s product.
“PM”	Particulate matters.
“PNLT”	Post New Long-Term Emission Standards in Japan, which came into force in October 2009.
“PROCONVE L5”, “PROCONVE L6”	Engine emission standards introduced for new light vehicles in Brazil, which are intended to come into force in between 2013 and 2015.
“PROCONVE P5”	Engine emission standards in Brazil, which were in-force in between 2004 and 2006.
“PROCONVE P6”	Engine emission standard introduced for new light vehicles in Brazil, which came into force January 2009.
“PROCONVE P7”	Engine emission standard introduced for new light vehicles in Brazil, which came into force January 2012.
“SUVs”	Sport Utility Vehicles.
“TMP”	Tailored Material Property, a specific press hardening process, which can be used to produce different strength levels for monolithic parts.
“TWB”	Tailored welded blank sheets made from individual steel sheets of different thickness, strength and coating which are joined together by laser welding.
“UHHS”	Ultra high strength steel.

## **ANNEX A: SENIOR FACILITIES AGREEMENT**

DATED 19 APRIL 2013

GESTAMP AUTOMOCIÓN, S.A.

ARRANGED BY

BANCO BILBAO VIZCAYA ARGENTARIA, S.A.  
BANCO SANTANDER, S.A.  
BANKIA, S.A.  
CAIXABANK S.A.  
DEUTSCHE BANK AG, LONDON BRANCH  
ITAÚ BBA INTERNATIONAL LIMITED  
AS SENIOR MANDATED LEAD ARRANGERS

AND

BANC OF AMERICA SECURITIES LIMITED  
BARCLAYS BANK, S.A.U.

BANCO POPULAR ESPAÑOL, S.A.  
BANCO DE SABADELL, S.A.  
COMMERZBANK AKTIENGESELLSCHAFT  
J.P. MORGAN LIMITED  
AND  
SGBT ASSET BASED FUNDING S.A.  
AS MANDATED LEAD ARRANGERS

AND

BANKINTER S.A.  
ERSTE GROUP BANK AG  
AS ARRANGERS

WITH

DEUTSCHE BANK AG, LONDON BRANCH  
ACTING AS AGENT

AND

DEUTSCHE BANK AG, LONDON BRANCH  
ACTING AS SECURITY AGENT

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SENIOR FACILITIES AGREEMENT

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**THIS AGREEMENT** is dated 19 April 2013 and made between:

- (1) **GESTAMP AUTOMOCIÓN, S.A.** (registration number A48943864) (the "**Company**");
- (2) **THE SUBSIDIARIES** of the Company listed in Part I of Schedule 1 (*The Original Parties*) as original borrowers (together with the Company, the "**Original Borrowers**");
- (3) **THE SUBSIDIARIES** of the Company listed in Part I of Schedule 1 (*The Original Parties*) as original guarantors (together with the Company, the "**Original Guarantors**");
- (4) **BANCO BILBAO VIZCAYA ARGENTARIA, S.A., BANCO SANTANDER, S.A., BANKIA, S.A., CAIXABANK S.A., DEUTSCHE BANK AG, LONDON BRANCH** and **ITAÚ BBA INTERNATIONAL LIMITED** as senior mandated lead arrangers;

**BANC OF AMERICA SECURITIES LIMITED, BANCO DE SABADELL, S.A., BANCO POPULAR ESPAÑOL, S.A., BARCLAYS BANK, S.A.U., COMMERZBANK AKTIENGESELLSCHAFT, J.P. MORGAN LIMITED** and **SGBT ASSET BASED FUNDING S.A.**, as mandated lead arrangers;

**BANKINTER S.A. and ERSTE GROUP BANK AG**, as arrangers,

(**whether** acting individually or together the "**Arranger**");

- (5) **THE FINANCIAL INSTITUTIONS** listed in Part II of Schedule 1 (*The Original Parties*) as lenders (the "**Original Lenders**");
- (6) **DEUTSCHE BANK AG, LONDON BRANCH** as agent of the other Finance Parties (the "**Agent**"); and
- (7) **DEUTSCHE BANK AG, LONDON BRANCH** as security agent for the Secured Parties (the "**Security Agent**").

**IT IS AGREED** as follows:

## **SECTION 1 INTERPRETATION**

### **1. DEFINITIONS AND INTERPRETATION**

#### **1.1 Definitions**

In this Agreement:

**"Acceptable Bank"** means:

- (a) a bank or financial institution which has a rating for its long-term unsecured and non credit-enhanced debt obligations of BB or higher by Standard & Poor's Rating Services or Fitch Ratings Ltd or Ba2 or higher by Moody's

Investors Service Limited or a comparable rating from an internationally recognised credit rating agency;

- (b) any other bank or financial institution approved by the Agent; or
- (c) any of the Original Lenders.

**"Accession Deed"** means a document substantially in the form set out in Schedule 6 (*Form of Accession Deed*).

**"Accounting Principles"** means generally accepted accounting principles (i) (in relation to the Company or the consolidated Group, in Spain, including IFRS or (ii) in relation to any other member of the Group, the jurisdiction of incorporation of that member of the Group.

**"Accounting Reference Date"** means 31 December.

**"Additional Borrower"** means a company which becomes an Additional Borrower in accordance with Clause 31 (*Changes to the Obligors*).

**"Additional Guarantor"** means a company which becomes an Additional Guarantor in accordance with Clause 31 (*Changes to the Obligors*).

**"Additional Lender"** has the meaning given to that term in Clause 2.2 (*Uncommitted Facility B*).

**"Additional Lender Accession Letter"** means a document substantially in the form set out in Schedule 16 (*Additional Lender Accession Letter*).

**"Additional Obligor"** means an Additional Borrower or an Additional Guarantor.

**"Affiliate"** means, in relation to any person, a Subsidiary of that person or a Holding Company of that person or any other Subsidiary of that Holding Company.

**"Agent's Spot Rate of Exchange"** means the Agent's spot rate of exchange for the purchase of the relevant currency with the Base Currency in the London foreign exchange market at or about 11:00 a.m. on a particular day.

**"Agreed Security Principles"** means the principles set out in Schedule 12 (*Agreed Security Principles*).

**"American Subsidiary"** means any subsidiary of the Company incorporated in any country located in North America or South America or any direct or indirect subsidiary of such Subsidiary incorporated in any such jurisdiction.

**"Ancillary Commencement Date"** means, in relation to an Ancillary Facility, the date on which that Ancillary Facility is first made available, which date shall be a Business Day within the Availability Period for the Revolving Facility.

**"Ancillary Commitment"** means, in relation to an Ancillary Lender and an Ancillary Facility, the maximum Base Currency Amount which that Ancillary Lender has agreed (whether or not subject to satisfaction of conditions precedent) to make

available from time to time under an Ancillary Facility and which has been authorised as such under Clause 9 (*Ancillary Facilities*), to the extent that amount is not cancelled or reduced under this Agreement or the Ancillary Documents relating to that Ancillary Facility.

**"Ancillary Document"** means each document relating to or evidencing the terms of an Ancillary Facility.

**"Ancillary Facility"** means any ancillary facility made available by an Ancillary Lender in accordance with Clause 9 (*Ancillary Facilities*).

**"Ancillary Lender"** means each Lender (or Affiliate of a Lender) which makes available an Ancillary Facility in accordance with Clause 9 (*Ancillary Facilities*).

**"Ancillary Outstandings"** means, at any time, in relation to an Ancillary Lender and an Ancillary Facility then in force the aggregate of the equivalents (as calculated by that Ancillary Lender) in the Base Currency of the following amounts outstanding under that Ancillary Facility:

- (a) the principal amount under each overdraft facility and on-demand short term loan facility (net of any Available Credit Balance);
- (b) the face amount of each guarantee, bond and letter of credit under that Ancillary Facility (net of any cash cover held by that Ancillary Lender); and
- (c) the amount fairly representing the aggregate exposure (excluding interest and similar charges) of that Ancillary Lender under each other type of accommodation provided under that Ancillary Facility,

in each case as determined by such Ancillary Lender, acting reasonably in accordance with its normal banking practice and in accordance with the relevant Ancillary Document.

**"Annual Financial Statements"** has the meaning given to that term in Clause 25 (*Information Undertakings*).

**"Anti-Corruption Laws"** means all laws, rules, and regulations of any jurisdiction applicable to the Borrower and other members of the Group concerning or relating to bribery or corruption.

**"Arcelor Mittal Group"** means Arcelor Mittal and its Subsidiaries.

**"Assignment Agreement"** means an agreement substantially in the form set out in Schedule 5 (*Form of Assignment Agreement*) or any other form agreed between the relevant assignor and assignee **provided that** if that other form does not contain the undertaking set out in the form set out in Schedule 5 (*Form of Assignment Agreement*) it shall not be a Creditor Accession Undertaking as defined in, and for the purposes of, the Intercreditor Agreement.

**"Auditors"** means one of PricewaterhouseCoopers, Ernst & Young, KPMG or Deloitte & Touche or any other firm approved in advance by the Majority Lenders (such approval not to be unreasonably withheld or delayed).



**"Authorisation"** means an authorisation, consent, approval, resolution, licence, exemption, filing, notarisation or registration.

**"Availability Period"** means:

- (a) in relation to each Term Facility, the period from and including the date of this Agreement to and including the date falling 45 days thereafter; and
- (b) in relation to the Revolving Facility, the period from and including the date of this Agreement to and including the date falling one month prior to the Termination Date.

**"Available Commitment"** means, in relation to a Facility, a Lender's Commitment under that Facility minus (subject as set out below):

- (a) the Base Currency Amount of its participation in any outstanding Utilisations under that Facility and, in the case of the Revolving Facility only, the Base Currency Amount of the aggregate of its (and its Affiliate's) Ancillary Commitments; and
- (b) in relation to any proposed Utilisation, the Base Currency Amount of its participation in any other Utilisations that are due to be made under that Facility on or before the proposed Utilisation Date and, in the case of the Revolving Facility only, the Base Currency Amount of its (and its Affiliate's) Ancillary Commitment in relation to any new Ancillary Facility that is due to be made available on or before the proposed Utilisation Date.

For the purposes of calculating a Lender's Available Commitment in relation to any proposed Utilisation under the Revolving Facility only, the following amounts shall not be deducted from that Lender's Revolving Facility Commitment:

- (i) that Lender's participation in any Revolving Facility Utilisations that are due to be repaid or prepaid on or before the proposed Utilisation Date; and
- (ii) that Lender's (and its Affiliate's) Ancillary Commitments to the extent that they are due to be reduced or cancelled on or before the proposed Utilisation Date.

**"Available Credit Balance"** means, in relation to an Ancillary Facility, credit balances on any account of any Borrower of that Ancillary Facility with the Ancillary Lender making available that Ancillary Facility to the extent that those credit balances are freely available to be set off by that Ancillary Lender against liabilities owed to it by that Borrower under that Ancillary Facility.

**"Available Facility"** means, in relation to a Facility, the aggregate for the time being of each Lender's Available Commitment in respect of that Facility.

**"Base Currency"** means euro.

**"Base Currency Amount"** means:

- (a) in relation to a Utilisation, the amount specified in the Utilisation Request delivered by a Borrower for that Utilisation (or, if the amount requested is not denominated in the Base Currency, that amount converted into the Base Currency at the Agent's Spot Rate of Exchange on the date which is three Business Days before the Utilisation Date or, if later, on the date the Agent receives the Utilisation Request in accordance with the terms of this Agreement) and, in the case of a Letter of Credit, as adjusted under Clause 6.8 (*Revaluation of Letters of Credit*) at six-monthly intervals; and
- (b) in relation to an Ancillary Commitment, the amount specified as such in the notice delivered to the Agent by the Company pursuant to Clause 9.2 (*Availability*) (or, if the amount specified is not denominated in the Base Currency, that amount converted into the Base Currency at the Agent's Spot Rate of Exchange on the date which is three Business Days before the Ancillary Commencement Date for that Ancillary Facility or, if later, the date the Agent receives the notice of the Ancillary Commitment in accordance with the terms of this Agreement),

as adjusted to reflect any repayment, prepayment, consolidation or division of a Utilisation, or (as the case may be) cancellation or reduction of an Ancillary Facility.

**"Base Reference Bank Rate"** means the arithmetic mean of the rates (rounded upwards to four decimal places) as supplied to the Agent at its request by the Base Reference Banks:

- (a) in relation to LIBOR, as the rate at which the relevant Base Reference Bank could borrow funds in the London interbank market; or
- (b) in relation to EURIBOR, as the rate at which the relevant Base Reference Bank could borrow funds in the European interbank market,

in the relevant currency and for the relevant period, were it to do so by asking for and then accepting interbank offers for deposits in reasonable market size in that currency and for that period.

**"Base Reference Banks"** means, in relation to LIBOR, the principal London offices of Deutsche Bank AG, London Branch, Bank of America, N.A. and Banco Santander S.A. and, in relation to EURIBOR, the principal office in London of Deutsche Bank AG, London Branch, Bank of America, N.A. and Banco Santander S.A. or such other banks as may be appointed by the Agent in consultation with the Company.

**"Borrower"** means an Original Borrower or an Additional Borrower unless it has ceased to be a Borrower in accordance with Clause 31 (*Changes to the Obligors*) and, in respect of an Ancillary Facility only, any Affiliate of a Borrower that becomes a borrower of that Ancillary Facility with the approval of the relevant Lender pursuant to Clause 9.8 (*Affiliates of Borrowers*).

**"Break Costs"** means the amount (if any) by which:

- (a) the interest (excluding the Margin) which a Lender should have received for the period from the date of receipt of all or any part of its participation in a Loan or Unpaid Sum to the last day of the current Interest Period in respect of that Loan or Unpaid Sum, had the principal amount or Unpaid Sum received been paid on the last day of that Interest Period;

exceeds:

- (b) the amount which that Lender would be able to obtain by placing an amount equal to the amount or Unpaid Sum received by it on deposit with a leading bank in the Relevant Interbank Market for a period starting on the Business Day following receipt or recovery and ending on the last day of the current Interest Period.

**"Business Day"** means a day (other than a Saturday or Sunday) on which banks are open for general business in London, Madrid and Luxembourg and:

- (a) (in relation to any date for payment or purchase of a currency other than euro) the principal financial centre of the country of that currency; or
- (b) (in relation to any date for payment or purchase of euro) any TARGET Day.

**"Cash"** means, at any time, cash in hand or at bank and (in the latter case) credited to an account in the name of a member of the Group with an Acceptable Bank or in an amount not exceeding EUR 100,000,000 credited to an account in the name of a member of the Group at any bank outside the European Union, and in each case to which a member of the Group is alone (or together with other members of the Group) beneficially entitled and for so long as:

- (a) that cash is repayable on demand or within 90 days of demand;
- (b) repayment of that cash is not contingent on the prior discharge of any other indebtedness of any member of the Group other than Permitted Financial Indebtedness or on the satisfaction of any other condition;
- (c) there is no Security over that cash except for Transaction Security or any Permitted Security; and
- (d) the cash is freely and (except as mentioned in paragraph (a) above) immediately available to be applied in repayment or prepayment of the Facilities within 90 days.

**"Cash Equivalent Investments"** means at any time:

- (a) certificates of deposit maturing within one year after the relevant date of calculation and issued by an Acceptable Bank;
- (b) any investment in marketable debt obligations issued or guaranteed by the government of the United States of America, the United Kingdom, any member state of the European Economic Area or any Participating Member

State in any such case having a rating for its short term unsecured and non-credit enhanced debt obligations of A-1 or higher by Standard & Poor's Rating Services or Fitch Rating Ltd or A-3 or higher by Moody's Investor Services Limited or a comparable rating from an internationally recognised credit rating agency or by an instrumentality or agency of any of them having an equivalent credit rating, maturing within one year after the relevant date of calculation and not convertible or exchangeable to any other security;

- (c) commercial paper not convertible or exchangeable to any other security:
  - (i) for which a recognised trading market exists;
  - (ii) issued by an issuer incorporated in the United States of America, the United Kingdom, any member state of the European Economic Area or any Participating Member State;
  - (iii) which matures within one year after the relevant date of calculation; and
  - (iv) which has a credit rating of either A-1 or higher by Standard & Poor's Rating Services or F1 or higher by Fitch Ratings Ltd or P-1 or higher by Moody's Investors Service Limited, or, if no rating is available in respect of the commercial paper, the issuer of which has, in respect of its long-term unsecured and non-credit enhanced debt obligations, an equivalent rating;
- (d) sterling bills of exchange eligible for rediscount at the Bank of England and accepted by an Acceptable Bank (or their dematerialised equivalent);
- (e) any investment in money market funds which (i) have a credit rating of either A-1 or higher by Standard & Poor's Rating Services or F1 or higher by Fitch Ratings Ltd or P-1 or higher by Moody's Investors Service Limited, (ii) which invest substantially all their assets in securities of the types described in paragraphs (a) to (d) above and (iii) can be turned into cash on not more than 30 days' notice; or
- (f) any other debt security approved by the Majority Lenders,

in each case, to which any member of the Group is alone (or together with other members of the Group) beneficially entitled at that time and which is not issued or guaranteed by any member of the Group or subject to any Security (other than Security arising under the Transaction Security Documents or other Permitted Security).

**"Change of Control"** means the Equity Investors cease directly or indirectly to:

- (a) have the power (whether by way of ownership of shares, proxy, contract, agency or otherwise) to:
  - (i) cast, or control the casting of, 50.01 per cent. or more of the maximum number of votes that might be cast at a general meeting of the Company; or

- (ii) appoint or remove all, or the majority, of the directors or other equivalent officers of the Company; or
  - (iii) give directions with respect to the operating and financial policies of the Company with which the directors or other equivalent officers of the Company are obliged to comply; or
- (b) hold beneficially 50.01 per cent. or more of the issued share capital of the Company with voting rights.

**"Charged Property"** means all of the assets of the Obligors which from time to time are, or are expressed to be, the subject of the Transaction Security.

**"Closing Date"** means the date of first Utilisation.

**"Code"** means the US Internal Revenue Code of 1986.

**"Commitment"** means a Facility A Commitment, Facility B Commitment or Revolving Facility Commitment.

**"Compliance Certificate"** means a certificate substantially in the form set out in Schedule 8 (*Form of Compliance Certificate*).

**"Confidential Information"** means all information relating to the Company, any Obligor, the Group, the Finance Documents, the Transaction Documents or a Facility of which a Finance Party becomes aware in its capacity as, or for the purpose of becoming, a Finance Party or which is received by a Finance Party in relation to, or for the purpose of becoming a Finance Party under, the Finance Documents or a Facility from either:

- (a) any member of the Group, or any of its advisers; or
- (b) another Finance Party, if the information was obtained by that Finance Party directly or indirectly from any member of the Group or any of its advisers,

in whatever form, and includes information given orally and any document, electronic file or any other way of representing or recording information which contains or is derived or copied from such information but excludes information that:

- (i) is or becomes public information other than as a direct or indirect result of any breach by that Finance Party of Clause 42 (*Confidentiality*); or
- (ii) is identified in writing at the time of delivery as non-confidential by any member of the Group or any of its advisers; or
- (iii) is known by that Finance Party before the date the information is disclosed to it in accordance with paragraphs (a) or (b) above or is lawfully obtained by that Finance Party after that date, from a source which is, as far as that Finance Party is aware, unconnected with the Group and which, in either case, as far as that Finance Party is aware,



has not been obtained in breach of, and is not otherwise subject to, any obligation of confidentiality.

**"Confidentiality Undertaking"** means a confidentiality undertaking substantially in a recommended form of the LMA as at the date of this Agreement or in any other form agreed between the Company and the Agent.

**"Corporación Gestamp Group"** means Corporación Gestamp, S.L. and any companies owned or controlled by it in accordance with Article 42 of the Spanish Commercial Code.

**"CTA"** means the Corporation Tax Act 2009.

**"Czech Guarantor"** means a Guarantor incorporated in the Czech Republic.

**"Czech Limitation Amount"** has the meaning given to that term in paragraph (a)(i) of Clause 23.11 (*Guarantee Limitations*);

**"Debt Purchase Transaction"** means, in relation to a person, a transaction where such person:

- (a) purchases by way of assignment or transfer;
- (b) enters into any sub-participation in respect of; or
- (c) enters into any other agreement or arrangement having an economic effect substantially similar to a sub-participation in respect of,

any Commitment or amount outstanding under this Agreement.

**"Default"** means an Event of Default or any event or circumstance specified in Clause 28 (*Events of Default*) which would (with the expiry of a grace period, the giving of notice, the making of any determination under the Finance Documents or any combination of any of the foregoing) be an Event of Default **provided that** any such event or circumstance which requires the satisfaction of a condition as to materiality before it becomes an Event of Default shall not be a Default unless that condition is satisfied.

**"Defaulting Lender"** means any Lender:

- (a) which has failed to make its participation in a Loan available or has notified the Agent or the Company (which has notified the Agent) that it will not make its participation in a Loan available by the Utilisation Date of that Loan in accordance with Clause 5.4 (*Lenders' participation*) or which has failed to provide cash collateral (or has notified the Issuing Bank or the Company (which has notified the Agent) that it will not provide cash collateral) in accordance with Clause 7.4 (*Cash collateral by Non-Acceptable L/C Lender and Borrower's option to provide cash cover*);
- (b) which has otherwise rescinded or repudiated a Finance Document; or

(c) which is an Issuing Bank which has failed to issue a Letter of Credit (or has notified the Agent or the Company (which has notified the Agent) that it will not issue a Letter of Credit) in accordance with Clause 6.5 (*Issue of Letters of Credit*) or which has failed to pay a claim (or has notified the Agent or the Company (which has notified the Agent) that it will not pay a claim) in accordance with (and as defined in) Clause 7.2 (*Claims under a Letter of Credit*); or

(d) with respect to which an Insolvency Event has occurred and is continuing,

unless, in the case of paragraph (a) and (c) above:

(i) its failure to pay, or to issue a Letter of Credit, is caused by:

(A) administrative or technical error; or

(B) a Disruption Event; and

(C) payment is made within three Business Days of its due date; or

(ii) the Lender is disputing in good faith whether it is contractually obliged to make the payment in question.

**"Deferred Consideration"** has the meaning given to that term in paragraph (f) of the definition of "Permitted Acquisition".

**"Delegate"** means any delegate, agent, attorney or co-trustee appointed by the Security Agent.

**"Designated Gross Amount"** means the amount notified by the Company to the Agent upon the establishment of a Multi-account Overdraft as being the maximum amount of Gross Outstandings that will, at any time, be outstanding under that Multi-account Overdraft.

**"Designated Net Amount"** means the amount notified by the Company to the Agent upon the establishment of a Multi-account Overdraft as being the maximum amount of Net Outstandings that will, at any time, be outstanding under that Multi-account Overdraft.

**"Designated Person"** means any Person listed on a Sanctions List.

**"Disposal"** has the meaning given to that term in Clause 12.2 (*Disposal and Insurance Proceeds*).

**"Disruption Event"** means either or both of:

(a) a material disruption to those payment or communications systems or to those financial markets which are, in each case, required to operate in order for payments to be made in connection with the Facilities (or otherwise in order for the transactions contemplated by the Finance Documents to be carried out) which disruption is not caused by, and is beyond the control of, any of the Parties; or

- (b) the occurrence of any other event which results in a disruption (of a technical or systems-related nature) to the treasury or payments operations of a Party preventing that, or any other Party:
  - (i) from performing its payment obligations under the Finance Documents; or
  - (ii) from communicating with other Parties in accordance with the terms of the Finance Documents,

and which (in either such case) is not caused by, and is beyond the control of, the Party whose operations are disrupted.

**"EBITDA"** has the meaning given to such term in Clause 26.1 (*Financial definitions*).

**"EIB-ICO Facility"** means the facility made available under the facility agreement dated 27 June 2011 entered into between Corporación Gestamp S.L as borrower and European Investment Bank as lender for a maximum amount of EUR 125,000,000 (of which EUR 108,400,000 is drawn) and the ICO Facility, together drawn in an aggregate amount of up to EUR 152,700,000.

**"Environment"** means humans, animals, plants and all other living organisms including the ecological systems of which they form part and the following media:

- (a) air (including, without limitation, air within natural or man-made structures, whether above or below ground);
- (b) water (including, without limitation, territorial, coastal and inland waters, water under or within land and water in drains and sewers); and
- (c) land (including, without limitation, land under water).

**"Environmental Claim"** means any claim or proceeding by any governmental or supra-national entity in respect of any Environmental Law.

**"Environmental Law"** means any applicable law or regulation which relates to:

- (a) the pollution or protection of the Environment;
- (b) the conditions of the workplace; or
- (c) the generation, handling, storage, use, release or spillage of any substance which, alone or in combination with any other, is capable of causing harm to the Environment, including, without limitation, any waste.

**"Environmental Permits"** means any permit and other Authorisation and the filing of any notification, report or assessment required under any Environmental Law for the operation of the business of any member of the Group conducted on or from the properties owned or used by any member of the Group.

**"Equity Contribution"** means:

- (a) any subscription by an Equity Investor or any other shareholder for shares issued by the Company and any capital contributions made by an Equity Investor or any other shareholder to the Company; and/or
- (b) any loans, notes, bonds or like instruments issued by the Company to an Equity Investor or any other shareholder or made by an Equity Investor or any other shareholder to the Company which are subordinated to the Facilities pursuant to the Intercreditor Agreement (with no right to prepayment or acceleration or cash return payable whilst any amount remains outstanding under the Facilities, unless otherwise permitted by the Intercreditor Agreement) or otherwise on terms satisfactory to the Agent, acting on the instructions of the Majority Lenders.

**"Equity Investors"** means Corporación Gestamp Group and Arcelor Mittal Group and their respective Affiliates.

**"EURIBOR"** means, in relation to any Loan in euro:

- (a) the applicable Screen Rate; or
- (b) (if no Screen Rate is available for the Interest Period of that Loan) the Base Reference Bank Rate,

as of the Specified Time on the Quotation Day for euro and for a period comparable to the Interest Period of that Loan and:

- (i) if that rate is less than zero, EURIBOR will be deemed to be zero; and
- (ii) in relation to any Facility B Loan EURIBOR shall not be less than the percentage per annum specified in the Facility B Establishment Notice as the applicable EURIBOR floor, if any.

**"Event of Default"** means any event or circumstance specified as such in Clause 28 (*Events of Default*).

**"Existing Gestamp Financing Arrangements"** means:

- (a) a facility agreement, dated 21 March 2012 entered into, amongst others, by Gestamp Automoción S.A. and Bank of America, N.A., Sucursal en España (BAML) for a maximum amount of EUR 60,000,000 subject to English law (the "**BAML Facility**");
- (b) a facility agreement dated 17 November 2011 entered into between Corporación Gestamp S.L. as borrower and Instituto de Crédito Oficial as lender for a maximum amount of EUR 50,000,000 of which EUR 44,300,000 is drawn (the "**ICO Facility**"); and
- (c) a back-up facility agreement dated 1 December 2011 entered into between Gestamp Metalbages S.A. as Back-up Facility Beneficiary and Société

Générale, S.A. as Back-up Facility Provider for a maximum amount of EUR104,000,000, subject to French law (the "**SG Facility**"),

and in each case any refinancing, amendment or extension of such facilities.

**"Existing Gestamp Lender"** means each lender under the Existing Gestamp Financing Arrangements.

**"Expiry Date"** means, for a Letter of Credit, the last day of its Term.

**"Facility"** means a Term Facility or the Revolving Facility.

**"Facility A"** means the term loan facility made available under this Agreement as described in paragraph (a)(i) of Clause 2.1 (*The Facilities*).

**"Facility A Commitment"** means:

- (a) in relation to an Original Lender, the amount in the Base Currency set opposite its name under the heading "Facility A Commitment" in Part II of Schedule 1 (*The Original Parties*) and the amount of any other Facility A Commitment transferred to it under this Agreement or assumed by it in accordance with Clause 2.3 (*Increase*); and
- (b) in relation to any other Lender, the amount in the Base Currency of any Facility A Commitment transferred to it under this Agreement or assumed by it in accordance with Clause 2.3 (*Increase*),

to the extent not cancelled, reduced or transferred by it under this Agreement.

**"Facility A Loan"** means a loan made or to be made under Facility A or the principal amount outstanding for the time being of that loan.

**"Facility A Repayment Date"** means each of the dates specified in paragraph (a) of Clause 10.1 (*Repayment of Term Loans*) as Repayment Dates.

**"Facility B"** means the Base Currency term loan facility in an aggregate amount equal to the total Facility B Commitments established pursuant to Clause 2.2 (*Uncommitted Facility B*).

**"Facility B Commitment"** means, in relation to a Lender or an Additional Lender:

- (a) the amount in the Base Currency notified by the Agent to such Lender or Additional Lender and the Company pursuant to paragraph (d) of Clause 2.2 (*Uncommitted Facility B*); and
- (b) the amount in the Base Currency of any Facility B Commitment transferred to it under this Agreement or assumed by it in accordance with Clause 2.2 (*Increase*),

to the extent not cancelled, reduced or transferred by it under this Agreement.



**"Facility B Effective Date"** means the date on which the Agent notifies any Lender or Additional Lender and the Company of the establishment of a Facility B Commitment or any later date specified in the Facility B Establishment Notice relating to such Facility B Commitment.

**"Facility B Establishment Notice"** has the meaning given to that term in paragraph (a) of Clause 2.2 (*Uncommitted Facility B*);

**"Facility B Loan"** means a loan made or to be made under Facility B or the principal amount outstanding for the time being of that loan.

**"Facility B Repayment Date"** means the day which is 72 Months after the date of this Agreement.

**"Facility Office"** means:

- (a) in respect of a Lender or the Issuing Bank, the office or offices notified by that Lender or the Issuing Bank to the Agent in writing on or before the date it becomes a Lender or the Issuing Bank (or, following that date, by not less than five Business Days' written notice) as the office or offices through which it will perform its obligations under this Agreement; or
- (b) in respect of any other Finance Party, the office in the jurisdiction in which it is resident for tax purposes.

**"FATCA"** means:

- (a) sections 1471 to 1474 of the Code or any associated regulations or other official guidance;
- (b) any treaty, law, regulation or other official guidance enacted in any other jurisdiction, or relating to an intergovernmental agreement between the US and any other jurisdiction, which (in either case) facilitates the implementation of paragraph (a) above; or
- (c) any agreement pursuant to the implementation of paragraphs (a) or (b) above with the US Internal Revenue Service, the US government or any governmental or taxation authority in any other jurisdiction.

**"FATCA Application Date"** means:

- (a) in relation to a "withholdable payment" described in section 1473(1)(A)(i) of the Code (which relates to payments of interest and certain other payments from sources within the US), 1 January 2014;
- (b) in relation to a "withholdable payment" described in section 1473(1)(A)(ii) of the Code (which relates to "gross proceeds" from the disposition of property of a type that can produce interest from sources within the US), 1 January 2017; or

- (c) in relation to a "passthru payment" described in section 1471(d)(7) of the Code not falling within paragraphs (a) or (b) above, 1 January 2017,

or, in each case, such other date from which such payment may become subject to a deduction or withholding required by FATCA as a result of any change in FATCA after the date of this Agreement.

**"FATCA Deduction"** means a deduction or withholding from a payment under a Finance Document required by FATCA.

**"FATCA Exempt Party"** means a Party that is entitled to receive payments free from any FATCA Deduction.

**"Fee Letter"** means:

- (a) any letter or letters dated on or about the date of this Agreement between the Arranger and the Company (or the Agent and the Company or the Security Agent and the Company) setting out any of the fees referred to in Clause 17 (*Fees*); and
- (b) any agreement setting out fees payable to a Finance Party referred to in paragraph (h) of Clause 2.2 (*Uncommitted Facility B*), paragraph (f) of Clause 2.3 (*Increase*), Clause 17.5 (*Fees payable in respect of Letters of Credit*) or Clause 17.6 (*Interest, commission and fees on Ancillary Facilities*) of this Agreement or under any other Finance Document.

**"Finance Document"** means this Agreement, any Accession Deed, any Ancillary Document, any Compliance Certificate, any Fee Letter, the Intercreditor Agreement, any Resignation Letter, any Selection Notice, any Transaction Security Document, any Utilisation Request and any other document designated as a "Finance Document" by the Agent and the Company.

**"Finance Lease"** means any lease or hire purchase contract which would, in accordance with the Accounting Principles, be treated as a finance or capital lease.

**"Finance Party"** means the Agent, the Arranger, the Security Agent, a Lender, the Issuing Bank, or any Ancillary Lender.

**"Financial Indebtedness"** means any indebtedness for or in respect of:

- (a) moneys borrowed and debit balances at banks or other financial institutions;
- (b) any acceptance under any acceptance credit or bill discounting facility (or dematerialised equivalent);
- (c) any note purchase facility or the issue of bonds (other than any performance or advance payment bond), notes, commercial paper, debentures, loan stock or any similar instrument;
- (d) the amount of any liability in respect of Finance Leases;

- (e) receivables sold or discounted (other than any receivables to the extent they are sold on a non-recourse basis);
- (f) any Treasury Transaction (and, when calculating the value of that Treasury Transaction, only the marked to market value (or, if any actual amount is due as a result of the termination or close-out of that Treasury Transaction, that amount) shall be taken into account);
- (g) any counter-indemnity obligation in respect of a guarantee, bond, standby or documentary letter of credit or any other instrument issued by a bank or financial institution **provided that** the underlying obligation in respect of which such instrument is issued would be treated as Financial Indebtedness;
- (h) any amount raised by the issue of shares which are redeemable (other than at the option of the issuer) before the final Termination Date;
- (i) any amount of any liability under an advance or deferred purchase agreement if (i) one of the primary reasons behind entering into the agreement is to raise finance or to finance the acquisition or construction of the asset or service in question and the terms of the agreement permit liabilities to be outstanding for six months or more or (ii) the agreement is in respect of the supply of assets or services and payment is due from the relevant member of the Group more than six months after the date of supply to it or is due to the relevant member of the Group more than six months before the date of supply by it (where, for the avoidance of doubt, this paragraph shall not apply to any scheduled payments or instalments agreed in relation to the supply of assets or services entered into in the ordinary course of trading of any member of the Group);
- (j) any amount raised under any other transaction classified as a borrowing under the Accounting Principles; and
- (k) the amount of any liability in respect of any guarantee for any of the items referred to in paragraphs (a) to (j) above,

excluding any indebtedness or liability in respect of pension, post employment or employment incentive scheme liabilities.

**"Financial Quarter"** means the period commencing on the day after one Quarter Date and ending on the next Quarter Date.

**"Financial Year"** means the annual accounting period of the Group ending on or about 31 December in each year.

**"French Guarantor"** means a Guarantor incorporated in France.

**"Funds Flow Statement"** means a funds flow statement in agreed form.

**"German Obligor"** means any Obligor which is incorporated or established under the laws of the Federal Republic of Germany.

**"Gross Outstandings"** means, in relation to a Multi-account Overdraft, the Ancillary Outstandings of that Multi-account Overdraft but calculated on the basis that the

words "(net of any Available Credit Balance)" in paragraph (a) of the definition of "Ancillary Outstandings" were deleted.

**"Group"** means the Company and each of its Subsidiaries for the time being.

**"Group Structure Chart"** means the group structure chart in the agreed form.

**"Guarantor"** means an Original Guarantor or an Additional Guarantor, unless it has ceased to be a Guarantor in accordance with Clause 31 (*Changes to the Obligors*).

**"Holding Company"** means, in relation to a person, any other person in respect of which it is a Subsidiary.

**"Hungarian Guarantor"** means a Guarantor which is incorporated in Hungary.

**"Hungarian Obligor"** means an Obligor incorporated in Hungary.

**"IFRS"** means international accounting standards within the meaning of IAS Regulation 1606/2002 to the extent applicable to the relevant financial statements.

**"Impaired Agent"** means the Agent at any time when:

- (a) it has failed to make (or has notified a Party that it will not make) a payment required to be made by it under the Finance Documents by the due date for payment;
- (b) the Agent otherwise rescinds or repudiates a Finance Document;
- (c) (if the Agent is also a Lender) it is a Defaulting Lender under paragraph (a), (b) or (c) of the definition of "Defaulting Lender"; or
- (d) an Insolvency Event has occurred and is continuing with respect to the Agent,

unless, in the case of paragraph (a) above:

- (i) its failure to pay is caused by:
  - (A) administrative or technical error; or
  - (B) a Disruption Event; and
  - (C) payment is made within three Business Days of its due date; or
- (ii) the Agent is disputing in good faith whether it is contractually obliged to make the payment in question.

**"Increase Confirmation"** means a confirmation substantially in the form set out in Schedule 13 (*Form of Increase Confirmation*).

**"Increase Lender"** has the meaning given to that term in Clause 2.3 (*Increase*).

**"Insolvency Event"** in relation to a Finance Party means that the Finance Party:

- (a) is dissolved (other than pursuant to a consolidation, amalgamation or merger);
- (b) becomes insolvent or is unable to pay its debts or fails or admits in writing its inability generally to pay its debts as they become due;
- (c) makes a general assignment, arrangement or composition with or for the benefit of its creditors;
- (d) institutes or has instituted against it, by a regulator, supervisor or any similar official with primary insolvency, rehabilitative or regulatory jurisdiction over it in the jurisdiction of its incorporation or organisation or the jurisdiction of its head or home office, a proceeding seeking a judgment of insolvency or bankruptcy or any other relief under any bankruptcy or insolvency law or other similar law affecting creditors' rights, or a petition is presented for its winding-up or liquidation by it or such regulator, supervisor or similar official;
- (e) has instituted against it a proceeding seeking a judgment of insolvency or bankruptcy or any other relief under any bankruptcy or insolvency law or other similar law affecting creditors' rights, or a petition is presented for its winding-up or liquidation, and, in the case of any such proceeding or petition instituted or presented against it, such proceeding or petition is instituted or presented by a person or entity not described in paragraph (d) above and:
  - (i) results in a judgment of insolvency or bankruptcy or the entry of an order for relief or the making of an order for its winding-up or liquidation; or
  - (ii) is not dismissed, discharged, stayed or restrained in each case within 30 days of the institution or presentation thereof;
- (f) has a resolution passed for its winding-up, official management or liquidation (other than pursuant to a consolidation, amalgamation or merger);
- (g) seeks or becomes subject to the appointment of an administrator, provisional liquidator, conservator, receiver, trustee, custodian or other similar official for it or for all or substantially all its assets (other than, for so long as it is required by law or regulation not to be publicly disclosed, any such appointment which is to be made, or is made, by a person or entity described in paragraph (d) above);
- (h) has a secured party take possession of all or substantially all its assets or has a distress, execution, attachment, sequestration or other legal process levied, enforced or sued on or against all or substantially all its assets and such secured party maintains possession, or any such process is not dismissed, discharged, stayed or restrained, in each case within 30 days thereafter;
- (i) causes or is subject to any event with respect to it which, under the applicable laws of any jurisdiction, has an analogous effect to any of the events specified in paragraphs (a) to (h) above; or



- (j) takes any action in furtherance of, or indicating its consent to, approval of, or acquiescence in, any of the foregoing acts.

**"Intellectual Property"** means:

- (a) any patents, trademarks, service marks, designs, business names, copyrights, database rights, design rights, domain names, moral rights, inventions, confidential information, knowhow and other intellectual property rights and interests (which may on or after the date of this Agreement subsist), whether registered or unregistered; and
- (b) the benefit of all applications and rights to use such assets of each member of the Group (which may on or after the date of this Agreement subsist).

**"Intercreditor Agreement"** means the intercreditor agreement dated on or prior to the first Utilisation Date and made between, among others, the Company, the Debtors (as defined in the Intercreditor Agreement), Deutsche Trustee Company Limited as Security Agent, Deutsche Bank AG, London Branch as senior agent, the Lenders, the Existing Gestamp Lenders, the Arranger, the Ancillary Lenders, the Intra-Group Lenders and the Equity Investors (as defined in the Intercreditor Agreement).

**"Interest Period"** means, in relation to a Loan, each period determined in accordance with Clause 15 (*Interest Periods*) and, in relation to an Unpaid Sum, each period determined in accordance with Clause 14.3 (*Default interest*).

**"Issuing Bank"** means any Lender which has become an Issuing Bank pursuant to Clause 6.9 (*Appointment of additional Issuing Banks*) (and if there is more than one such Party, such Parties shall be referred to, whether acting individually or together, as the **"Issuing Bank"**) **provided that**, in respect of a Letter of Credit issued or to be issued pursuant to the terms of this Agreement, the "Issuing Bank" shall be the Issuing Bank which has issued or agreed to issue that Letter of Credit.

**"ITA"** means the Income Tax Act 2007.

**"Joint Venture"** means any joint venture entity, whether a company, unincorporated firm, undertaking, association, joint venture or partnership or any other entity.

**"L/C Proportion"** means in relation to a Lender in respect of any Letter of Credit, the proportion (expressed as a percentage) borne by that Lender's Available Commitment to the relevant Available Facility immediately prior to the issue of that Letter of Credit, adjusted to reflect any assignment or transfer under this Agreement to or by that Lender.

**"Legal Opinion"** means any legal opinion delivered to the Agent under Clause 4.1 (*Initial conditions precedent*) or Clause 31 (*Changes to the Obligors*).

**"Legal Reservations"** means:

- (a) the principle that equitable remedies may be granted or refused at the discretion of a court and the limitation of enforcement by laws relating to insolvency, reorganisation and other laws generally affecting the rights of creditors;

- (b) the time barring of claims under applicable limitation laws, the possibility that an undertaking to assume liability for or indemnify a person against non-payment of any stamp duty may be void and defences of set-off or counterclaim;
- (c) the principle that default interest may be held to be unenforceable on the grounds that it is a penalty;
- (d) similar principles, rights and defences under the laws of any Relevant Jurisdiction; and
- (e) any other matters which are set out as qualifications or reservations as to matters of law of general application in the Legal Opinions.

**"Lender"** means:

- (a) any Original Lender; and
- (b) any bank, financial institution, trust, fund or other entity which has become a Party as a Lender in accordance with Clause 2.3 (*Increase*) or Clause 29 (*Changes to the Lenders*),

which in each case has not ceased to be a Lender in accordance with the terms of this Agreement.

**"Letter of Credit"** means:

- (a) a letter of credit, substantially in the form set out in Schedule 10 (*Form of Letter of Credit*) or in any other form requested by the Company and agreed by the Agent with the prior consent of the Majority Lenders and the Issuing Bank; or
- (b) any guarantee, indemnity or other instrument in a form requested by a Borrower (or the Company on its behalf) and agreed by the Agent with the prior consent of the Majority Lenders and the Issuing Bank.

**"LIBOR"** means, in relation to any Loan:

- (a) the applicable Screen Rate; or
- (b) (if no Screen Rate is available for the currency or Interest Period of that Loan) the Base Reference Bank Rate,

as of the Specified Time on the Quotation Day for the currency of that Loan and a period comparable to the Interest Period of that Loan and if that rate is less than zero, LIBOR shall be deemed to be zero.

**"LMA"** means the Loan Market Association.

**"Loan"** means a Term Loan or a Revolving Facility Loan.

**"Luxembourg Material Company"** means a Material Company whose centre of main interests within the meaning of the Regulation (as defined below) is located in Luxembourg.

**"Luxembourg Obligor"** means an Obligor whose centre of main interests within the meaning of the Regulation (as defined below) is located in Luxembourg or which is incorporated in Luxembourg.

**"Luxembourg Qualifying Lender"** has the meaning given to that term in Clause 18 (*Tax Gross Up and Indemnities*).

**"Majority Lenders"** means:

- (a) for the purposes of paragraph (a) of Clause 41.2 (*Required consents*) in the context of a waiver in relation to a proposed Utilisation of the Revolving Facility (other than a Utilisation on the Closing Date) of the condition in Clause 4.2 (*Further conditions precedent*), a Lender or Lenders whose Revolving Facility Commitments aggregate more than  $66\frac{2}{3}$  per cent. of the Total Revolving Facility Commitments; and
- (b) (in any other case), a Lender or Lenders whose Commitments aggregate more than  $66\frac{2}{3}$  per cent. of the Total Commitments (or, if the Total Commitments have been reduced to zero, aggregated more than  $66\frac{2}{3}$  per cent. of the Total Commitments immediately prior to that reduction).

**"Margin"** means:

- (a) in relation to any Facility A Loan 3.50 per cent. per annum;
- (b) in relation to any Facility B Loan the rate specified in the Facility B Establishment Notice;
- (c) in relation to any Revolving Facility Loan 3.50 per cent. per annum;
- (d) in relation to any Unpaid Sum relating or referable to a Facility, the rate per annum specified above for that Facility; and
- (e) in relation to any other Unpaid Sum, the highest rate specified above,

but if:

- (f) no Event of Default has occurred which is continuing;
- (g) a period of at least 12 Months has expired since the Closing Date; and
- (h) Adjusted Leverage in respect of the most recently completed Relevant Period is within a range set out below,

then the Margin for each Loan under Facility A, Facility B and the Revolving Facility will be the percentage per annum set out below in the column for that Facility opposite that range:

<b>Adjusted Leverage</b>	<b>Facility A Margin % p.a.</b>	<b>Facility B Margin % p.a.</b>	<b>Revolving Facility Margin % p.a.</b>
Greater than 2:00:1	3.75	The rate specified in the Facility B Establishment Notice	3.75
Equal to or less than 2:00:1 but greater than 1.75:1	3.50	The rate specified in the Facility B Establishment Notice	3.50
Equal to or less than 1.75:1 but greater than 1.50:1	3.25	The rate specified in the Facility B Establishment Notice	3.25
Equal to or less than 1.50:1	3.00	The rate specified in the Facility B Establishment Notice	3.00

However:

- (i) any increase or decrease in the Margin for a Loan shall take effect on the date (the "**reset date**") which is 5 Business Days following receipt by the Agent of the Compliance Certificate for that Relevant Period pursuant to Clause 25.2 (*Provision and contents of Compliance Certificate*);
- (ii) if, following receipt by the Agent of the Compliance Certificate related to the relevant Annual Financial Statements, that Compliance Certificate does not confirm the basis for a reduced or increased Margin, then paragraph (b) of Clause 14.2 (*Payment of interest*) shall apply and the Margin for that Loan shall be the percentage per annum determined using the table above and the revised ratio of Adjusted Leverage calculated using the figures in that Compliance Certificate;

- (iii) while an Event of Default is continuing, the Margin for each Loan under Facility A, Facility B and the Revolving Facility shall be the highest percentage per annum set out above for a Loan under that Facility **provided that** the Margin will revert to the rate that would otherwise be determined in accordance with the table above upon an Event of Default being remedied or waived; and
- (iv) for the purpose of determining the Margin, Adjusted Leverage and Relevant Period shall be determined in accordance with Clause 26.1 (*Financial definitions*).

**"Material Adverse Effect"** means a material adverse effect on:

- (a) the business, assets or financial condition of the Group taken as a whole; or
- (b) the ability of the Obligors (taken as a whole) to perform their payment obligations under the Finance Documents; or
- (c) the validity or enforceability of any Security granted or purporting to be granted pursuant to any of the Finance Documents **provided that** if such circumstances are capable of remedy such circumstances are not remedied within 10 Business Days of the earlier of (i) the Agent giving notice to the Company and (ii) the Company becoming aware of such circumstances.

**"Material Company"** means, at any time, any member of the Group in which the Company holds directly or indirectly 90 per cent. or more of the issued share capital and which for the last Financial Year:

- (a) has earnings before interest, tax, depreciation and amortisation:
  - (i) calculated on the same basis as EBITDA, representing 2.50 per cent. or more of EBITDA; and
  - (ii) (calculated on the same basis as EBITDA but on an unconsolidated basis) exceeds EUR 10,000,000; or
- (b) has net assets representing 2.50 per cent. or more of the net assets of the Group, calculated on a consolidated basis,

being, as at the date of this Agreement, the members of the Group listed in Schedule 11 (*Material Companies*).

After the date of this Agreement compliance with the conditions set out above shall be determined by reference to the most recent Compliance Certificate supplied by the Company with its audited consolidated annual financial statements and/or the latest audited financial statements of that Subsidiary and the latest audited consolidated financial statements of the Group.

However, if a Subsidiary has been acquired since the date as at which the latest audited consolidated financial statements of the Group were prepared, the financial statements shall be deemed to be adjusted in order to take into account the acquisition of that Subsidiary.



A report by the Auditors of the Company that a Subsidiary is or is not a Material Company shall, in the absence of manifest error, be conclusive and binding on all Parties.

**"Merger"** has the meaning given to that term in Clause 27.6 (*Merger*).

**"Month"** means a period starting on one day in a calendar month and ending on the numerically corresponding day in the next calendar month, except that:

- (a) if the numerically corresponding day is not a Business Day, that period shall end on the next Business Day in that calendar month in which that period is to end if there is one, or if there is not, on the immediately preceding Business Day; and
- (b) if there is no numerically corresponding day in the calendar month in which that period is to end, that period shall end on the last Business Day in that calendar month.

The above rules will only apply to the last Month of any period.

**"Multi-account Overdraft"** means an Ancillary Facility which is an overdraft facility comprising more than one account.

**"Net Outstandings"** means, in relation to a Multi-account Overdraft, the Ancillary Outstandings of that Multi-account Overdraft.

**"Net Proceeds"** means the cash consideration received by any member of the Group on any Flotation or by any member of the Group for any Disposal or insurance claim after deducting:

- (a) fees, costs and expenses incurred by or on behalf of any member of the Group with respect to that Flotation, or by any member of the Group with respect to that Disposal or claim, in each case to persons who are not members of the Group;
- (b) any Tax incurred and required to be paid by any member of the Group or any Holding Company of any member of the Group with respect to that Flotation, or by any member of the Group in connection with that Disposal or claim as reasonably determined by such member of the Group on the basis of existing rates and taking into account any available credit, deduction or allowance;
- (c) any related redundancy, restructuring or relocation costs reasonably incurred in connection therewith in an amount not exceeding the greater of EUR 1,000,000 or 10% of the cash consideration received by any member of the Group in respect of any such Flotation or by any member of the Group in respect of any such Disposal or insurance claim;
- (d) in respect of any Disposal, any amount required to discharge any Financial Indebtedness owing to any entity which is not a member of the Group or an Affiliate of a member of the Group which benefits from security or a prior

claim on the asset subject to such Disposal in each case on completion of such Disposal; and

- (e) in respect of any Disposal, any amount retained in respect of any reasonably likely warranty or indemnity claims in connection with the Disposal (**provided that** on expiry of the period for any such claim any amount not subject to a claim shall constitute Disposal Proceeds).

**"New Lender"** has the meaning given to that term in Clause 29 (*Changes to the Lenders*).

**"Non-Acceptable L/C Lender"** means a Lender under the Revolving Facility which:

- (a) is not an Acceptable Bank within the meaning of paragraph (a) or (c) of the definition of "Acceptable Bank" (other than a Lender which each Issuing Bank has agreed is acceptable to it notwithstanding that fact);
- (b) is a Defaulting Lender; or
- (c) has failed to make (or has notified the Agent that it will not make) a payment to be made by it under Clause 7.3 (*Indemnities*) or Clause 32.11 (*Lenders' indemnity to the Agent*) or any other payment to be made by it under the Finance Documents to or for the account of any other Finance Party in its capacity as Lender by the due date for payment unless the failure to pay falls within the description of any of those items set out at paragraphs (i) and (ii) of the definition of "Defaulting Lender".

**"Non-Consenting Lender"** has the meaning given to that term in Clause 41.8 (*Replacement of Lender*).

**"Notifiable Debt Purchase Transaction"** has the meaning given to that term in paragraph (b) of Clause 30.2 (*Disenfranchisement on Debt Purchase Transactions entered into by Equity Investors*).

**"OFAC"** means the Office of Foreign Assets Control of the U.S. Department of Treasury.

**"Obligor"** means a Borrower or a Guarantor.

**"Obligors' Agent"** means the Company, appointed to act on behalf of each Obligor in relation to the Finance Documents pursuant to Clause 2.5 (*Obligors' Agent*).

**"Optional Currency"** means a currency (other than the Base Currency) which complies with the conditions set out in Clause 4.3 (*Conditions relating to Optional Currencies*).

**"Original Financial Statements"** means:

- (a) in relation to the Company, its audited financial statements for its Financial Year ended 31 December 2012; and

- (b) in relation to any other Obligor, its audited financial statements delivered to the Agent as required by Clause 31 (*Changes to the Obligors*).

**"Original Jurisdiction"** means, in relation to an Obligor, the jurisdiction under whose laws that Obligor is incorporated as at the date of this Agreement or, in the case of an Additional Obligor, as at the date on which that Additional Obligor becomes Party as a Borrower or a Guarantor (as the case may be).

**"Original Obligor"** means an Original Borrower or an Original Guarantor.

**"Participating Member State"** means any member state of the European Union that has the euro as its lawful currency in accordance with legislation of the European Union relating to Economic and Monetary Union.

**"Party"** means a party to this Agreement.

**"Perfection Requirements"** means the making or procuring of registrations, filings, endorsements, notarisations, stampings and/or notifications of the Finance Documents (and/or security created thereunder) necessary for the validity and enforceability thereof.

**"Permitted Acquisition"** means:

- (a) an acquisition by a member of the Group of an asset sold, leased, transferred or otherwise disposed of by another member of the Group in circumstances constituting a Permitted Disposal or a Merger permitted under Clause 27.6 (*Merger*),
- (b) an acquisition of shares or securities in another member of the Group or the capitalisation of an inter company loan or the redemption, purchase or cancellation of its own shares by a member of the Group (other than the Company save to the extent that any such action by the Company would constitute a Permitted Distribution);
- (c) an acquisition of securities which are Cash Equivalent Investments;
- (d) the incorporation of a company or establishment of a partnership in each case with limited liability which on incorporation or establishment becomes a member of the Group;
- (e) an acquisition which constitutes a Permitted Joint Venture;

- (f) an acquisition (not being an acquisition by the Company), for cash consideration (which may be left outstanding as deferred consideration ("**Deferred Consideration**")) of (A) issued shares constituting a controlling interest (or where a member of the Group already has a controlling interest, the acquisition of some or all of the remaining shares) in a limited liability company or (B) (if the acquisition is made by a limited liability company whose sole purpose is to make the acquisition) a business or undertaking carried on as a going concern, but only if:
- (i) no Event of Default is continuing on the date on which the relevant member of the Group legally commits to make the acquisition or would occur as a result of the acquisition;
  - (ii) the acquired company, business or undertaking is engaged in a business substantially the same as or complementary to that carried on by the Group;
  - (iii) in the case of any acquisition in respect of which the consideration (including associated costs and expenses) and any Financial Indebtedness or other assumed actual or contingent liability in each case remaining in the acquired company or business at the date of acquisition (the "**Purchase Price**") exceeds EUR 25,000,000 (or its equivalent), or if the aggregate Purchase Price for all such acquisitions in any Financial Year exceeds EUR 50,000,000 (or its equivalent), the Company delivers to the Agent not later than 30 days after the closing date for the acquisition a certificate signed by two directors of the Company:
    - (A) to which is attached a copy of the latest audited accounts (or if not available, management accounts) of the target company or business; and
    - (B) giving projections showing in reasonable detail that the Company will remain in compliance with its obligations under Clause 26 (*Financial Covenants*) for the Relevant Periods ending on the next four Quarter Dates consolidating the financial statements of the target company (consolidated if it has Subsidiaries) or business with the financial statements of the Group for such period on a *pro forma* basis and as if the consideration for the proposed acquisition had been paid at the start of the Relevant Period and taking into account any anticipated synergies and cost savings; and
  - (iv) the Company notifies the Agent of such proposed acquisition at least 10 days before the anticipated closing date for the acquisition;
- (g) an acquisition of a minority interest of less than 20% in the issued share capital of any limited liability company or partnership with limited liability **provided that** the Purchase Price in respect of all such minority interests does not exceed EUR 15,000,000 (or its equivalent) in any Financial Year; and

- (h) an acquisition which constitutes a Permitted Associate.

**"Permitted Associate"** means any investment in any Joint Venture or in any limited liability company in either case engaged in a business substantially the same as or complementary to that carried on by the Group where:

- (a) between 20% and 50% of the total equity or ownership interest in the Joint Venture or limited liability company (as applicable) is, or will as a result of the investment or transaction, be owned by the Company or any other Obligor or Material Company or a combination thereof; and
- (b) the aggregate amount of all amounts subscribed for in shares or invested in all such Joint Ventures and limited liability companies does not at any time exceed 5.0% of the consolidated gross assets of the Group calculated on a consolidated basis.

**"Permitted Disposal"** means any sale, lease, licence, transfer or other disposal which, except in the case of paragraph (c), is on arm's length terms:

- (a) of trading stock made by any member of the Group in the ordinary course of trading of the disposing entity;
- (b) of cash not otherwise prohibited by the terms of this agreement;
- (c) of any asset by a member of the Group (the **"Disposing Company"**) to another member of the Group (the **"Acquiring Company"**), but if:
  - (i) the Disposing Company is an Obligor, the Acquiring Company must also be an Obligor;
  - (ii) the Disposing Company had given Security over the asset, the Acquiring Company must give equivalent Security over that asset; and
  - (iii) the Disposing Company is a Guarantor, the Acquiring Company must be a Guarantor;
- (d) the disposal of assets by an Obligor to a member of the Group which is not an Obligor in an aggregate amount for all such disposals not exceeding EUR 20,000,000 (or its equivalent) in any Financial Year;
- (e) of assets (other than shares or businesses) in exchange for other assets comparable or superior as to type, value and quality;
- (f) of obsolete or redundant land, vehicles, plant and equipment for cash;
- (g) of Cash Equivalent Investments for cash or in exchange for other Cash Equivalent Investments;
- (h) constituted by a licence of intellectual property rights permitted by Clause 27.30 (*Intellectual Property*) or a lease or licence of real estate to the extent not then required for the business of the Group;

- (i) arising as a result of any Permitted Security; and
- (j) of assets for cash (**provided that** up to 25% may be by way of deferred consideration) to a person or persons who is/are not a member of the Group:
  - (i) where the aggregate amount of the proceeds of all such disposals since the date of this Agreement are equal to or less than five per cent. of the total consolidated assets of the Group; or
  - (ii) to the extent that the aggregate amount of the proceeds of all such disposals since the date of this Agreement are greater than five per cent. of the total consolidated assets of the Group as determined by reference to the latest financial statements of the Company most recently delivered pursuant to Clause 25.1 (*Financial statements*) prior to the date of such disposal, such amounts are applied in prepayment of the Facilities in accordance with Clause 12.2 (*Disposal and Insurance Proceeds*);
- (k) which is already committed to on the date of the Agreement and disclosed to the Lenders;
- (l) in connection with the expropriation by or on behalf of any governmental, regulatory or other authority of any assets of any member of the Group, **provided that** such expropriation does not result in an Event of Default under Clause 28.14 (*Expropriation*);
- (m) of receivables factored, sold or discounted either on a non-recourse basis or (to the extent it constitutes Permitted Financial Indebtedness) on a recourse basis;
- (n) constituted by the capitalisation of any intra-Group loans;
- (o) of any assets which are the subject of a sale and leaseback arrangement where the resulting lease is a Finance Lease constituting Permitted Financial Indebtedness;
- (p) to a Joint Venture, to the extent permitted by Clause 27.9 (*Joint Venture*);
- (q) of any interest in a Treasury Transaction permitted pursuant to Clause 27.22 (*Treasury Transaction*);
- (r) of shares as part of a Flotation which does not trigger a Change of Control;
- (s) of assets by an Obligor to a member of the Group which is not an Obligor for cash consideration at market value, as determined by the Company acting in good faith, and in any event for no less than book value;
- (t) of raw materials and parts by one member of the Group to another member of the Group in the ordinary course of trading;
- (u) of capitalised development costs from the member of the Group which has undertaken the development work to the member of the Group which will manufacture or further develop the relevant product.



**"Permitted Distribution"** means the payment of a dividend or other distribution by the Company to or the purchase or redemption of any share capital by the Company from the Equity Investors and any other shareholder in the Company **provided that**:

- (a) the payment is made when no Event of Default is continuing or would occur immediately after the making of the payment;
- (b) other than as set out in paragraph (iii) below prior to the occurrence of a Flotation:
  - (i) where Adjusted Leverage as shown in the Compliance Certificate most recently delivered pursuant to Clause 25.2 (*Provision and Contents of Compliance Certificate*) (but adjusted on a *pro forma* basis to take into account the proposed payment) is less than 3.00:1 but greater than 2.00:1, the aggregate amount of all such payments in any Financial Year shall not exceed 35 per cent. of the consolidated net profits of the Group in the previous Financial Year (as determined by reference to the Annual Financial Statements of the Company most recently delivered pursuant to Clause 25.1 (*Financial Statements*)); and
  - (ii) where Adjusted Leverage as shown in the Compliance Certificate most recently delivered pursuant to Clause 25.2 (*Provision and Contents of Compliance Certificate*) (but adjusted on a *pro forma* basis to take into account the proposed payment) is equal to or lower than 2:00:1, the aggregate amount of all such payments in any Financial Year shall not exceed 50 per cent. of the consolidated net profits of the Group in the previous Financial Year as determined by reference to the latest Annual Financial Statements of the Company most recently delivered pursuant to Clause 25.1 (*Financial statements*);
- (c) such dividend is paid by the Company no later than 30 June 2013 in respect of its Financial Year ending 31 December 2012 in an amount no greater than EUR 51,028,939.92, being approximately 30% of the consolidated net profit of the Group as shown in the Original Financial Statements in relation to the Company; and
- (d) after a Flotation Adjusted Leverage as shown in the Compliance Certificate most recently delivered to Clause 25.2 (*Provision and contents of Compliance Certificate*) (but adjusted on a *pro forma* basis to take into account the proposed payment) is equal to or lower than 2:00:1.

If no dividends are paid in any Financial Year (or an amount less than the maximum permitted for that Financial Year is paid) and such unpaid amount would otherwise have been permitted to be paid (the "**Underpayment Amount**"), the amount permitted to be paid as dividends in the following financial years (the "**Subsequent Years**") shall be increased by the Underpayment Amount **provided that** dividends may only be paid in Subsequent Years if no Event of Default is outstanding at the time of payment.

**"Permitted Financial Indebtedness"** means Financial Indebtedness:

- (a) to the extent covered by a Letter of Credit or other letter of credit, guarantee or indemnity issued under an Ancillary Facility;
- (b) arising under a foreign exchange transaction for spot or forward delivery entered into in connection with protection against fluctuation in currency rates where that foreign exchange exposure arises in the ordinary course of trade or in respect of Utilisations made or other borrowings incurred in Optional Currencies, but not a foreign exchange transaction for investment or speculative purposes;
- (c) arising under a Permitted Loan or a Permitted Guarantee or as permitted by Clause 27.22 (*Treasury Transactions*);
- (d) until the date falling two Business Days after the first Utilisation Date each Temporary Facility;
- (e) in respect of any Deferred Consideration which does not constitute Net Financial Indebtedness;
- (f) any shareholder loan which is an Equity Contribution or on-loans from Corporacion Gestamp, S.L. using the proceeds of the EIB-ICO Facility;
- (g) arising under non-interest bearing loans from the Spanish Ministry of Science; and
- (h) not permitted by the preceding paragraphs or as a Permitted Transaction **provided that** taking into account the incurrence of such Financial Indebtedness on a pro forma basis Adjusted Leverage as shown in the Compliance Certificate most recently delivered pursuant to Clause 25.2 (*Provision and Contents of Compliance Certificate*) is less than 3:00:1.

**"Permitted Gross Outstandings"** means, in relation to a Multi-account Overdraft, any amount, not exceeding its Designated Gross Amount, which is the amount of the Gross Outstandings of that Multi-account Overdraft.

**"Permitted Guarantee"** means:

- (a) the endorsement of negotiable instruments in the ordinary course of trade;
- (b) any guarantee (not being in respect of Financial Indebtedness) by a member of the Group entered into in the ordinary course of trade;
- (c) any guarantee permitted under Clause 27.17 (*Financial Indebtedness*);
- (d) any guarantee given in respect of the netting or set-off arrangements permitted pursuant to paragraph (b) of the definition of "Permitted Security";
- (e) any guarantee or indemnity given in the ordinary course of the documentation of an acquisition or disposal transaction which is a Permitted Acquisition or

Permitted Disposal which guarantee or indemnity is in a customary form and subject to customary limitations;

- (f) any guarantee granted to any third party creditor **provided that** to the extent required by Clause 27.23 (*Guarantors*) an equivalent guarantee is granted in favour of the Finance Parties;
- (g) until the date falling two Business Days after the first Utilisation Date any guarantees granted in respect of any Temporary Facility;
- (h) guarantees under the Finance Documents or in respect of Permitted Financial Indebtedness **provided that** the aggregate outstanding liability under all guarantees by Obligors in respect of the Financial Indebtedness of members of the Group which are not Obligors does not exceed the higher of EUR 200,000,000 and 0.375 times Adjusted EBITDA;
- (i) guarantees in respect of Financial Indebtedness of Permitted Joint Ventures **provided that** the aggregate outstanding liability under all such guarantees does not exceed EUR 100,000,000 at any time;
- (j) customary indemnities given under engagement, underwriting or mandate letters or purchase agreements;
- (k) any other guarantee **provided that** the aggregate outstanding liability under all such guarantees does not exceed EUR 50,000,000 at any time; or
- (l) any guarantee or indemnity arising by operation of law as a result of any tax group or fiscal unity.

**"Permitted Joint Venture"** means any investment in a Joint Venture where:

- (a) the Joint Venture is engaged in a business substantially the same as or complementary to that carried on by the Group;
- (b) at least 20% of the total equity or ownership interest in the Joint Venture is at the time of determination, or will as a result of the investment or transaction be, owned by the Company or any other member of the Group; and
- (c) the aggregate of all amounts subscribed for in shares or invested in all such Joint Ventures by any member of the Group does not at any time exceed 5.0 per cent. of the consolidated gross assets of the Group calculated on a consolidated basis at that time.

**"Permitted Loan"** means:

- (a) any trade credit extended by any member of the Group to its customers on normal commercial terms and in the ordinary course of its trading activities;
- (b) a loan made by a member of the Group to another member of the Group in accordance with prudent business practice;

(c) **provided that:**

- (i) the Company has repaid the intra-group loan made to it by Corporación Gestamp S.L. and existing on the date of this Agreement; and
- (ii) the proceeds of such repayment have been used to discharge indebtedness under the EIB-ICO Facility,

loans from the Company to Corporación Gestamp S.L. for the purpose of repaying indebtedness under the EIB-ICO facility;

- (d) any loan made to a member of the Corporación Gestamp Group (other than Corporación Gestamp S.L.) so long as the aggregate amount of such loans does not exceed EUR 60,000,000, or its equivalent in any other currency; **provided that** if additional loans are granted to members of the Corporación Gestamp Group (other than Corporación Gestamp S.L.) after the date of this Agreement for a sum exceeding EUR 10,000,000 (but at no time exceeding the aforementioned limit of EUR 60,000,000), the Company shall procure that Corporación Gestamp, S.L. will provide the Lenders with a guarantee in form and substance satisfactory to the Lenders for an amount equal to the additional loans granted to it that is in excess of EUR 10,000,000);
- (e) a loan made by a member of the Group to an employee or director of any member of the Group if the amount of that loan when aggregated with the amount of all loans to employees and directors by members of the Group does not exceed EUR 10,000,000 (or its equivalent) at any time;
- (f) credit balances on any bank account or any loan arising as a result of the operation of customary cash pooling, net balance or balance transfer arrangements in the ordinary course of treasury management operations of the Group;
- (g) any loan made by a member of the Group constituting deferred consideration in connection with any Permitted Disposal and not exceeding the higher of EUR 1,000,000 or 25% of the consideration for such Permitted Disposal;
- (h) loans or credit granted by any person acquired by a member of the Group after the first Utilisation Date where such loans or credit are outstanding on the date of acquisition, have not been created in anticipation of such acquisition and have not been increased in anticipation of or since such acquisition;
- (i) any loan made to a Joint Venture that is permitted under Clause 27.8 (*Joint Venture*);
- (j) any other loan not referred to in paragraphs (a) to (i) above in an aggregate principal amount at any time outstanding not exceeding EUR 50,000,000,

so long as in the case of paragraph (b) above to the extent required by the Intercreditor Agreement, the creditor and the debtor of such Financial Indebtedness are or become party to the Intercreditor Agreement as an Intra-Group Lender and a Debtor (as defined, in each case, in the Intercreditor Agreement) respectively.

**"Permitted Security"** means:

- (a) any lien arising by operation of law and in the ordinary course of trading and not as a result of any default or omission by any member of the Group;
- (b) any netting or set-off arrangement entered into by any member of the Group in the ordinary course of its banking arrangements for the purpose of netting debit and credit balances of members of the Group (including a Multi-account Overdraft) but only so long as (i) such arrangement does not permit credit balances of Obligors to be netted or set off against debit balances of members of the Group which are not Obligors (except to the extent any resulting Financial Indebtedness would be Permitted Financial Indebtedness) and (ii) such arrangement does not give rise to other Security over the assets of Obligors in support of liabilities of members of the Group which are not Obligors; and any lien arising under the general terms and conditions of banks or Sparkassen (*Allgemeine Geschäftsbedingungen der Banken oder Sparkassen*) with whom any member of the Group maintains a banking relationship in the ordinary course of business;
- (c) any payment or close out netting or set-off arrangement pursuant to any Treasury Transaction or foreign exchange transaction entered into by a member of the Group which constitutes Permitted Financial Indebtedness, excluding any Security or Quasi-Security under a credit support arrangement;
- (d) any Security or Quasi-Security over or affecting any asset acquired by a member of the Group after the Closing Date if:
  - (i) the Security or Quasi-Security was not created in contemplation of the acquisition of that asset by a member of the Group;
  - (ii) the principal amount secured has not been increased in contemplation of or since the acquisition of that asset by a member of the Group; and
  - (iii) the Security or Quasi-Security is removed or discharged within three months of the date of acquisition of such asset;
- (e) any Security or Quasi-Security over or affecting any asset of any company which becomes a member of the Group after the Closing Date, where the Security or Quasi-Security is created prior to the date on which that company becomes a member of the Group if:
  - (i) the Security or Quasi-Security was not created in contemplation of the acquisition of that company;
  - (ii) the principal amount secured has not increased in contemplation of or since the acquisition of that company; and
  - (iii) the Security or Quasi-Security is removed or discharged within three months of that company becoming a member of the Group;
- (f) any Security or Quasi-Security arising under any retention of title, hire purchase or conditional sale arrangement or arrangements having similar

effect in respect of goods supplied to a member of the Group in the ordinary course of trading and on the supplier's standard or usual terms and not arising as a result of any default or omission by any member of the Group;

- (g) any Quasi-Security arising as a result of a disposal which is a Permitted Disposal;
- (h) any Security given over assets of the Group which are not subject to the Transaction Security the aggregate value of which when added to the aggregate value of all other assets over which Security has been granted pursuant to this paragraph (h), tested as at the date such new Security is granted, does not exceed five per cent. of the consolidated gross assets of the Group;
- (i) any Security granted over the Charged Property in respect of the Existing Gestamp Financing Arrangements (or any refinancing or replacement thereof) and the Senior Secured Notes;
- (j) any Security arising as a result of the deposit of cash with the Senior Secured Noteholder Trustee pursuant to any legal or covenant defeasance of the Senior Secured Notes; or
- (k) any Security granted over the Charged Property, in respect of any Financial Indebtedness incurred by a member of the Group and designated as Additional Senior Financing (as defined in the Intercreditor Agreement) in accordance with the Intercreditor Agreement, if on the date such Financial Indebtedness is incurred (or designated as such) the aggregate amount of Net Financial Indebtedness adjusted on a pro forma basis as if such Financial Indebtedness (and any refinancing or acquisition to be made with the proceeds thereof) had already been incurred or made) is less than 3.00 times Adjusted EBITDA for the previous twelve months.

**"Permitted Transaction"** means:

- (a) any disposal required, Financial Indebtedness incurred, guarantee, indemnity or Security or Quasi-Security given, or other transaction arising, under the Finance Documents;
- (b) the solvent liquidation, merger or reorganisation of any member of the Group which is not a Borrower so long as any payments or assets distributed as a result of such liquidation, merger or reorganisation are distributed to other members of the Group and, in the case of a merger or reorganisation of a Guarantor such Guarantor is the surviving entity of such merger or reorganisation or, where such Guarantor is not the surviving entity or is subject to a solvent liquidation, the assets of such Guarantor are distributed to another Guarantor guaranteeing at all times an amount no less than that guaranteed by the original Guarantor;
- (c) transactions (other than (i) any sale, lease, license, transfer or other disposal and (ii) the granting or creation of Security or the incurring or permitting to



subsist of Financial Indebtedness) conducted in the ordinary course of trading on arm's length terms; or

- (d) the conversion of Gestamp Toledo S.L., Gestamp Levante S.L., Edscha Burges, S.L. and Edscha Santander, S.L. into *Sociedad Anónima*.

**"Polish Guarantor"** means a Guarantor incorporated in Poland.

**"Portuguese Guarantor"** means a Guarantor incorporated in Portugal.

**"Qualifying Lender"** has the meaning given to that term in Clause 18 (*Tax gross up and indemnities*).

**"Quarter Date"** means 31 March, 30 June, 30 September and 31 December.

**"Quasi-Security"** has the meaning given to that term in Clause 27.11 (*Negative pledge*).

**"Quotation Day"** means, in relation to any period for which an interest rate is to be determined:

- (a) (if the currency is euro) two TARGET Days before the first day of that period;  
or
- (b) (for any other currency) two Business Days before the first day of that period,

unless market practice differs in the Relevant Interbank Market for a currency, in which case the Quotation Day for that currency will be determined by the Agent in accordance with market practice in the Relevant Interbank Market (and if quotations would normally be given by leading banks in the Relevant Interbank Market on more than one day, the Quotation Day will be the last of those days).

**"Receiver"** means a receiver or receiver and manager or administrative receiver of the whole or any part of the Charged Property.

**"Regulation"** has the meaning given to that term in Clause 24.25 (*Centre of main interests and establishments*).

**"Related Fund"** in relation to a fund (the "**first fund**"), means a fund which is managed or advised by the same investment manager or investment adviser as the first fund or, if it is managed by a different investment manager or investment adviser, a fund whose investment manager or investment adviser is an Affiliate of the investment manager or investment adviser of the first fund.

**"Relevant Interbank Market"** means in relation to euro, the European interbank market and, in relation to any other currency, the London interbank market.

**"Relevant Jurisdiction"** means, in relation to an Obligor:

- (a) its Original Jurisdiction;

- (b) any jurisdiction where any asset subject to or intended to be subject to the Transaction Security to be created by it is situated;
- (c) the jurisdiction whose laws govern the perfection of any of the Transaction Security Documents entered into by it.

**"Relevant Period"** has the meaning given to that term in Clause 26.1 (*Financial definitions*).

**"Renewal Request"** means a written notice delivered to the Agent in accordance with Clause 6.6 (*Renewal of a Letter of Credit*).

**"Repayment Date"** means a Facility A Repayment Date, a Facility B Repayment Date or the last day of an Interest Period for a Revolving Facility Loan.

**"Repayment Instalment"** means each instalment for repayment of the Facility A Loans referred to in Clause 10.1 (*Repayment of Facility A Loans*).

**"Repeating Representations"** means each of the representations set out in Clause 24.2 (*Status*) to Clause 24.8 (*Governing law and enforcement*), Clause 24.10 (*No Default*), 24.18 (*Sanctions and Anti-Corruption law*) and Clause 24.25 (*Centre of main interests and establishments*).

**"Representative"** means any delegate, agent, manager, administrator, nominee, attorney, trustee or custodian.

**"Resignation Letter"** means a letter substantially in the form set out in Schedule 7 (*Form of Resignation Letter*).

**"Revolving Facility"** means the revolving credit facility made available under this Agreement as described in paragraph (a)(ii) of Clause 2.1 (*The Facilities*).

**"Revolving Facility Commitment"** means:

- (a) in relation to an Original Lender, the amount in the Base Currency set opposite its name under the heading "Revolving Facility Commitment" in Part II of Schedule 1 (*The Original Parties*) and the amount of any other Revolving Facility Commitment transferred to it under this Agreement or assumed by it in accordance with Clause 2.3 (*Increase*); and
- (b) in relation to any other Lender, the amount in the Base Currency of any Revolving Facility Commitment transferred to it under this Agreement or assumed by it in accordance with Clause 2.3 (*Increase*),

to the extent not cancelled, reduced or transferred by it under this Agreement.

**"Revolving Facility Loan"** means a loan made or to be made under the Revolving Facility or the principal amount outstanding for the time being of that loan.

**"Revolving Facility Utilisation"** means a Revolving Facility Loan or a Letter of Credit.

**"Rollover Loan"** means one or more Revolving Facility Loans:

- (a) made or to be made on the same day that:
  - (i) a maturing Revolving Facility Loan is due to be repaid; or
  - (ii) a demand by the Issuing Bank or Agent pursuant to a drawing in respect of a Letter of Credit is due to be met;
- (b) the aggregate amount of which is equal to or less than the amount of the maturing Revolving Facility Loan or the relevant claim in respect of that Letter of Credit;
- (c) in the same currency as the maturing Revolving Facility Loan (unless it arose as a result of the operation of Clause 8.2 (*Unavailability of a currency*)) or the relevant claim in respect of that Letter of Credit; and
- (d) made or to be made to the same Borrower for the purpose of:
  - (i) refinancing that maturing Revolving Facility Loan; or
  - (ii) satisfying the relevant claim in respect of that Letter of Credit.

**"Sanctioned Country"** means a country or territory which is at any time subject to Sanctions.

**"Sanctions"** means:

- (a) economic or financial sanctions or trade embargoes imposed, administered or enforced from time to time by (i) the US government and administered by OFAC, (ii) the United Nations Security Council, (iii) the European Union or (iv) Her Majesty's Treasury of the United Kingdom; and
- (b) economic or financial sanctions imposed, administered or enforced from time to time by the US State Department, the US Department of Commerce or the US Department of the Treasury.

**"Sanctions List"** means any of the lists of specifically designated nationals or designated persons or entities (or equivalent) held by the US government and administered by OFAC, the US State Department, the US Department of Commerce or the US Department of the Treasury or the United Nations Security Council or any similar list maintained by the European Union, any other EU Member State or any other U.S. government entity, in each case as the same may be amended, supplemented or substituted from time to time.

**"Screen Rate"** means:

- (a) in relation to LIBOR, the London interbank offered rate administered by the British Bankers Association (or any other person which takes over the administration of that rate) for the relevant currency and period displayed on pages LIBOR01 and LIBOR02 of the Reuters screen (or any replacement Reuters page which displays that rate); and

- (b) in relation to EURIBOR, the euro interbank offered rate administered by the Banking Federation of the European Union (or any other person which takes over the administration of that rate) for the relevant period displayed on page EURIBOR01 of the Reuters screen (or any replacement Reuters page which displays that rate),

or, in the case, on the appropriate page of such other information service which publishes that rate from time to time in place of Reuters. If such page or service ceases to be available, the Agent may specify another page or service displaying the relevant rate after consultation with the Company.

**"Secured Parties"** means each Finance Party from time to time party to this Agreement, any Receiver or Delegate, the Senior Secured Noteholder Trustee, the Senior Secured Noteholders, the Existing Gestamp Lenders and any Additional Senior Financing Creditors (as such term is defined in the Intercreditor Agreement).

**"Security"** means a mortgage, land charge (*Grundschild*), charge, pledge, lien, assignment or transfer for security purposes, extended retention of title arrangement (*verlängerter Eigentumsvorbehalt*), or other security interest securing any obligation of any person or any other agreement or arrangement having a similar effect.

**"Selection Notice"** means a notice substantially in the form set out in Part III of Schedule 3 (*Requests and Notices*) given in accordance with Clause 15 (*Interest Periods*) in relation to a Term Facility.

**"Senior Secured Note Documents"** means the Senior Secured Notes and Senior Secured Note Instrument in agreed form and any other documents entered into pursuant to any of them.

**"Senior Secured Noteholder"** means the registered holders from time to time of the Senior Secured Notes, as determined in accordance with the relevant Senior Secured Notes Documents.

**"Senior Secured Noteholder Trustee"** means the noteholder trustee for and on behalf of the Senior Secured Noteholders.

**"Senior Secured Note Instrument"** means the indenture or other instrument pursuant to which the Notes are, or are to be, constituted.

**"Senior Secured Notes"** means the senior secured notes due 2020 of Gestamp Funding Luxembourg S.A. and any additional senior secured notes issued under any indenture or instrument supplemental to or amending the Senior Secured Note Instrument.

**"Slovak Commercial Code"** means Act of the Slovak Republic No. 513/1991 Coll., the Commercial Code, as amended.

**"Slovak Guarantor"** means a Guarantor incorporated in the Slovak Republic.

**"Slovak Insolvency Act"** means Act of the Slovak Republic No. 7/2005 Coll., on Bankruptcy and Restructuring, as amended.

**"Slovak Limitation Amount"** has the meaning given to that term in paragraph (d)(i) of Clause 23.11 (*Guarantee Limitations*);

**"Spanish Guarantor"** means a Guarantor incorporated in Spain.

**"Spanish Obligor"** means an Obligor incorporated in Spain.

**"Spanish Public Document"** means a Spanish law documento público, being either an *escritura pública* or a *póliza o efecto intervenido por notario español*.

**"Spanish Law Share Pledges"** means the Spanish law governed share pledges granted pursuant to paragraphs (a) and (b) of Clause 27.26 (*Conditions subsequent*).

**"Specified Time"** means a time determined in accordance with Schedule 9 (*Timetables*).

**"Subsidiary"** means any person (referred to as the "**first person**") in respect of which another person (referred to as the "**second person**"):

- (a) holds a majority of the voting rights in that first person (directly or indirectly) or has the right under the constitution of the first person to direct the overall policy of the first person or alter the terms of its constitution; or
- (b) is a member of that first person and has the right to appoint or remove a majority of its board of directors or equivalent administration, management or supervisory body; or
- (c) has the right to exercise a dominant influence (which must include the right to give directions with respect to operating and financial policies of the first person which its directors are obliged to comply with whether or not for its benefit) over the first person by virtue of provisions contained in the articles (or equivalent) of the first person or by virtue of a control contract which is in writing and is authorised by the articles (or equivalent) of the first person and is permitted by the law under which such first person is established; or
- (d) is a member of that first person and controls alone, pursuant to an agreement with other shareholders or members, a majority of the voting rights in the first person or the rights under its constitution to direct the overall policy of the first person or alter the terms of its constitution,

and for the purposes of this definition, a person shall be treated as a member of another person if any of that person's Subsidiaries is a member of that other person or, if any shares in that other person are held by a person acting on behalf of it or any of its Subsidiaries. A subsidiary undertaking shall include any person the shares or ownership interests in which are subject to Security and where the legal title to the shares or ownership interests so secured are registered in the name of the secured party or its nominee pursuant to such Security.

**"Super Majority Lenders"** means a Lender or Lenders whose Commitments aggregate more than 85 per cent. of the Total Commitments (or, if the Total Commitments have been reduced to zero, aggregated more than 85 per cent. of the Total Commitments immediately prior to that reduction).

**"Swedish Guarantor"** means a Guarantor incorporated in Sweden.

**"TARGET2"** means the Trans-European Automated Real-time Gross Settlement Express Transfer payment system which utilises a single shared platform and which was launched on 19 November 2007.

**"TARGET Day"** means any day on which TARGET2 is open for the settlement of payments in euro.

**"Tax"** means any tax, levy, impost, duty or other charge or withholding of a similar nature (including any penalty or interest payable in connection with any failure to pay or any delay in paying any of the same).

**"Temporary Facility"** means each Facility listed in Schedule 15 (*Temporary Facilities*).

**"Term"** means each period determined under this Agreement for which the Issuing Bank is under a liability under a Letter of Credit.

**"Term Facility"** means Facility A or Facility B.

**"Term Loan"** means a Facility A Loan or a Facility B Loan.

**"Termination Date"** means:

- (a) in relation to Facility A the date which is 60 months after the date of this Agreement;
- (b) in relation to Facility B the date which is 72 months after the date of this Agreement; and
- (c) in relation to the Revolving Facility the date which is 60 months after the date of this Agreement.

**"Total Commitments"** means the aggregate of the Total Facility A Commitments and the Total Revolving Facility Commitments being EUR 850,000,000 at the date of this Agreement, together with the aggregate of any Facility B Commitments established pursuant to Clause 2.2 (*Uncommitted Facility B*).

**"Total Facility A Commitments"** means the aggregate of the Facility A Commitments, being EUR 570,000,000 at the date of this Agreement.

**"Total Revolving Facility Commitments"** means the aggregate of the Revolving Facility Commitments, being EUR 280,000,000 at the date of this Agreement.

**"Transaction Documents"** means the Finance Documents, the Senior Secured Note Documents and the Existing Gestamp Financing Arrangements.

**"Transaction Security"** means the Security created or expressed to be created in favour of the Security Agent and/or the Secured Parties (or any of them) pursuant to the Transaction Security Documents.



**"Transaction Security Documents"** means each of the Spanish Law Share Pledges together with any other document entered into by any Obligor creating or expressed to create any Security over all or any part of its assets in respect of the obligations of any of the Obligors under any of the Finance Documents, the Senior Secured Note Documents, the Existing Gestamp Financing Arrangements or any Additional Senior Financing (as defined in the Intercreditor Agreement).

**"Transfer Certificate"** means a certificate substantially in the form set out in Schedule 4 (*Form of Transfer Certificate*) or any other form agreed between the Agent and the Company.

**"Transfer Date"** means, in relation to an assignment or a transfer, the later of:

- (a) the proposed Transfer Date specified in the relevant Assignment Agreement or Transfer Certificate; and
- (b) the date on which the Agent executes the relevant Assignment Agreement or Transfer Certificate.

**"Treasury Transactions"** means any derivative transaction entered into in connection with protection against or benefit from fluctuation in any rate or price.

**"Unpaid Sum"** means any sum due and payable but unpaid by an Obligor under the Finance Documents.

**"Utilisation"** means a Loan or a Letter of Credit.

**"Utilisation Date"** means the date of a Utilisation, being the date on which the relevant Loan is to be made or the relevant Letter of Credit is to be issued.

**"Utilisation Request"** means a notice substantially in the relevant form set out in Part I or, as the case may be, Part II of Schedule 3 (*Requests and Notices*).

**"VAT"** means:

- (a) any tax imposed in compliance with the Council Directive of 28 November 2006 on the common system of value added tax (EC Directive 2006/112); and
- (b) any other tax of a similar nature, whether imposed in a member state of the European Union in substitution for, or levied in addition to, such tax referred to in paragraph (a) above, or imposed elsewhere.

## 1.2 Construction

- (a) Unless a contrary indication appears a reference in this Agreement to:
  - (i) the **"Agent"**, the **"Arranger"**, any **"Finance Party"**, any **"Issuing Bank"**, any **"Lender"**, any **"Obligor"**, any **"Party"**, any **"Secured Party"**, the **"Security Agent"** or any other person shall be construed so as to include its successors in title, permitted assigns and permitted transferees to, or of, its rights and/or obligations under the Finance Documents and, in the case of the Security Agent, any person for the

time being appointed as Security Agent or Security Agents in accordance with the Finance Documents;

- (ii) a document in "**agreed form**" is a document which is previously agreed in writing by or on behalf of the Company and the Agent;
- (iii) "**assets**" includes present and future properties, revenues and rights of every description;
- (iv) "**director**" includes any statutory legal representative(s) (*organschaftlicher Vertreter*) of a person pursuant to the laws of its jurisdiction of incorporation, including but not limited to, in relation to a person incorporated or established in Germany, a managing director (*Geschäftsführer*) or member of the board of directors (*Vorstand*);
- (v) save as provided in respect of the EIB-ICO Facility, a "**Finance Document**" or a "**Transaction Document**" or any other agreement or instrument is a reference to that Finance Document or Transaction Document or other agreement or instrument as amended, novated, supplemented, extended or restated from time to time and includes any increase in, addition to, extension of or other change to any facility or indebtedness made under any such agreement or instrument;
- (vi) a "**group of Lenders**" includes where relevant all the Lenders;
- (vii) "**guarantee**" means (other than in Clause 23 (*Guarantee and Indemnity*)) any guarantee, letter of credit, bond, indemnity or similar assurance against loss, or any obligation, direct or indirect, actual or contingent, to purchase or assume any indebtedness of any person or to make an investment in or loan to any person or to purchase assets of any person where, in each case, such obligation is assumed in order to maintain or assist the ability of such person to meet its indebtedness;
- (viii) "**indebtedness**" includes any obligation (whether incurred as principal or as surety) for the payment or repayment of money, whether present or future, actual or contingent;
- (ix) the "**Interest Period**" of a Letter of Credit shall be construed as a reference to the Term of that Letter of Credit;
- (x) a Lender's "**participation**" in relation to a Letter of Credit, shall be construed as a reference to the relevant amount that is or may be payable by a Lender in relation to that Letter of Credit;
- (xi) a "**person**" includes any individual, firm, company, corporation, government, state or agency of a state or any association, trust, joint venture, consortium, partnership or other entity (whether or not having separate legal personality);
- (xii) a "**regulation**" includes any regulation, rule, official directive, request or guideline (whether or not having the force of law) of any governmental, intergovernmental or supranational body, agency,

department or of any regulatory, self-regulatory or other authority or organisation;

- (xiii) a Utilisation made or to be made to a Borrower includes a Letter of Credit issued on its behalf;
  - (xiv) a provision of law is a reference to that provision as amended or re-enacted;
  - (xv) a time of day is a reference to London time; and
  - (xvi) the singular includes the plural (and vice versa).
- (b) Section, Clause and Schedule headings are for ease of reference only.
- (c) Unless a contrary indication appears, a term used in any other Finance Document or in any notice given under or in connection with any Finance Document has the same meaning in that Finance Document or notice as in this Agreement.
- (d) A Borrower providing "**cash cover**" for a Letter of Credit or an Ancillary Facility means a Borrower paying an amount in the currency of the Letter of Credit (or, as the case may be, Ancillary Facility) to an interest-bearing account in the name of the Borrower and the following conditions being met:
- (i) the account is with the Issuing Bank or Ancillary Lender for which that cash cover is to be provided;
  - (ii) subject to paragraph (b) of Clause 7.6 (*Regulation and consequences of cash cover provided by Borrower*), until no amount is or may be outstanding under that Letter of Credit or Ancillary Facility, withdrawals from the account may only be made to pay the relevant Finance Party amounts due and payable to it under this Agreement in respect of that Letter of Credit or Ancillary Facility; and
  - (iii) the Borrower has executed a security document over that account, in form and substance satisfactory to the Finance Party with which that account is held, creating a first ranking security interest over that account.
- (e) A Default (other than an Event of Default) is "**continuing**" if it has not been remedied or waived and an Event of Default is "**continuing**" if it has not been remedied or waived.
- (f) A Borrower "**repaying**" or "**prepaying**" a Letter of Credit or Ancillary Outstandings means:
- (i) that Borrower providing cash cover for that Letter of Credit or in respect of the Ancillary Outstandings;
  - (ii) the maximum amount payable under the Letter of Credit or Ancillary Facility being reduced or cancelled in accordance with its terms; or

- (iii) the Issuing Bank or Ancillary Lender being satisfied that it has no further liability under that Letter of Credit or Ancillary Facility,

and the amount by which a Letter of Credit is, or Ancillary Outstandings are, repaid or prepaid under paragraphs (i) and (ii) above is the amount of the relevant cash cover, reduction or cancellation.

- (g) An amount borrowed includes any amount utilised by way of Letter of Credit or under an Ancillary Facility.
- (h) A Lender funding its participation in a Utilisation includes a Lender participating in a Letter of Credit.
- (i) Amounts outstanding under this Agreement include amounts outstanding under or in respect of any Letter of Credit.
- (j) An outstanding amount of a Letter of Credit at any time is the maximum amount that is or may be payable by the relevant Borrower in respect of that Letter of Credit at that time.

### 1.3 Currency Symbols and Definitions

"\$" and "**dollars**" denote the lawful currency of the United States of America, "£" and "**sterling**" denote the lawful currency of the United Kingdom and "€", "**EUR**" and "**euro**" denote the single currency of the Participating Member States.

### 1.4 Personal liability

No personal liability shall attach to any director, officer, employee or other individual signing a certificate or other document on behalf of the Company or other member of the Group which proves to be incorrect in any way, unless that individual acted fraudulently in giving that certificate or other document in which case any liability will be determined in accordance with applicable law.

### 1.5 Hungarian terms

In this Agreement, where it relates to a Hungarian entity, a reference to:

- (a) a "**share**" means a quota (in Hungarian: "*üzletrész*") and "**share capital**" means capital made up by quota (in Hungarian: "*törzstőke*") in respect of a Hungarian limited liability company (in Hungarian: "*korlátolt felelősségű társaság*");
- (b) a suspension of payments, a moratorium of any indebtedness, winding-up, dissolution, administration or reorganisation includes (among others) "bankruptcy" (in Hungarian: "*csődeljárás*"), liquidation (in Hungarian: "*felszámolási eljárás*"), winding-up (in Hungarian: "*végelszámolási eljárás*") proceedings, as defined under the Hungarian Act XLIX of 1991 on Bankruptcy and Liquidation Proceedings (including also its provisions under articles 65-70 regulating special proceedings that may apply in respect of companies having substantial importance for the national economy), and under

Act V of 2006 on Private Company Information, Company Registration and Winding-up Proceedings; and

- (c) a **"liquidator"**, **"receiver"**, **"trustee in bankruptcy"**, **"administrative receiver"**, **"administrator"**, **"compulsory manager"** or other similar officer includes (among others) a *"csődgondnok"*, *"felszámoló"*, *"végelszámoló"*, *"vagyonfelügyelő"*, *"felügyelőbiztos"* and *"állami felszámoló"*.

## 1.6 Polish terms

In this Agreement, where it relates to the persons incorporated or having assets in the Republic of Poland, a reference to:

- (a) a **"liquidator"**, **"receiver"**, **"administrative receiver"**, **"administrator"**, **"compulsory manager"** or similar officer in relation to persons incorporated or having assets in the Republic of Poland, includes the Polish *likwidator*, *sędzia komisarz*, *syndyk*, *zarządca*, *nadzorca sądowy*, *zarządca przymusowy* established in a pledge agreement in accordance with Article 27 of the Polish Act on Registered Pledge and Pledge Register dated 6 December 1996 (as amended), Article 931 or Article 10641 of the Polish Code on Civil Procedure dated 17 November 1964 (as amended), or *zarząd przymusowy*;
- (b) a **"composition"**, **"compromise"**, **"assignment"** or **"arrangement"** with any creditor includes a *postępowanie upadłościowe z możliwością zawarcia układu* and *postępowanie naprawcze*; and
- (c) a **"winding up"** includes a declaration of bankruptcy.

## 1.7 Luxembourg terms

In this Agreement, where it relates to a Luxembourg Obligor and/or a Luxembourg Material Company, a reference to:

- (a) a **"liquidator"**, **"receiver"**, **"administrative receiver"**, **"administrator"**, **"compulsory manager"** or other similar officer includes any:
  - (i) *juge-commissaire* or insolvency receiver (*curateur*) appointed under the Luxembourg Commercial Code;
  - (ii) *liquidateur* appointed under Articles 141 to 151 (inclusive) of the Luxembourg law dated 10 August 1915 on commercial companies, as amended;
  - (iii) *juge-commissaire* or *liquidateur* appointed under Article 203 of the Luxembourg law dated 10 August 1915 on commercial companies, as amended;
  - (iv) *commissaire* appointed under the Grand-Ducal decree of 24 May 1935 on the controlled management regime or under Articles 593 to 614 (inclusive) of the Luxembourg Commercial Code; and

- (v) *juge délégué* appointed under the Luxembourg law of 14 April 1886 on the composition to avoid bankruptcy, as amended;
- (b) a "**winding-up**", "**dissolution**" "**administration**" or "**reorganisation**" includes, without limitation, bankruptcy (*faillite*), liquidation, composition with creditors (*concordat préventif de faillite*), moratorium or reprieve from payment (*sursis de paiement*) and controlled management (*gestion contrôlée*); and
- (c) an Obligor or Material Company that "**is unable or admits inability to pay its debts**" includes that Obligor or Material Company being in a state of cessation of payments (*cessation de paiements*) and loss of creditworthiness (*ébranlement de crédit*).

## 1.8 Third party rights

- (a) Unless expressly provided to the contrary in a Finance Document a person who is not a Party has no right under the Contracts (Rights of Third Parties) Act 1999 (the "**Third Parties Act**") to enforce or enjoy the benefit of any term of any Finance Document.
- (b) Notwithstanding any term of any Finance Document, the consent of any person who is not a Party is not required to rescind or vary any Finance Document at any time.



## SECTION 2 THE FACILITIES

### 2. THE FACILITIES

#### 2.1 The Facilities

- (a) Subject to the terms of this Agreement, the Lenders make available:
  - (i) a Base Currency term loan facility in an aggregate amount equal to the Total Facility A Commitments; and
  - (ii) a multicurrency revolving credit facility in an aggregate amount the Base Currency Amount of which is equal to the Total Revolving Facility Commitments.
- (b) Facility A will be available to the Company.
- (c) The Revolving Facility will be available to all the Borrowers.
- (d) Subject to the terms of this Agreement and the Ancillary Documents, an Ancillary Lender may make all or part of its Revolving Facility Commitment available to any Borrower (or Affiliate of a Borrower) as an Ancillary Facility.

#### 2.2 Uncommitted Facility B

- (a) The Company may by written notice in the form attached as Schedule 17 (*Form of Facility B Establishment Notice*) (a "**Facility B Establishment Notice**") served on the Agent indicate that it wishes to establish a Facility B Commitment of a stated amount for a Lender or another bank or financial institution or trust, fund or other entity which is regularly engaged in or established for the purpose of making, purchasing or investing in loans, securities or other financial assets (an "**Additional Lender**").
- (b) The Agent shall accept a Facility B Establishment Notice within two Business Days of receipt, **provided that**:
  - (i) no Default has occurred or is continuing or would result from the proposed establishment of the Facility B Commitment;
  - (ii) the Facility B Establishment Notice specifies the amount of Facility B Commitment to be established;
  - (iii) the Facility B Establishment Notice specifies that the Facility B Commitment is to be established prior to the Closing Date;
  - (iv) the Facility B Establishment Notice specifies the Margin, any applicable Margin ratchet and any applicable EURIBOR floor for Facility B, which shall be on market terms;
  - (v) the Facility B Establishment Notice confirms that the relevant Lender or Additional Lender has agreed to assume the requested Facility B

Commitment, and is signed by the relevant Lender or Additional Lender to confirm its willingness to assume and that it does assume all the obligations of a Facility B Lender corresponding to its Facility B Commitment; and

- (vi) in relation to an Additional Lender the Agent being satisfied that it has complied with all necessary "know your customer" or other similar checks under all applicable laws and regulations in relation to the assumption of a Facility B Commitment by that Additional Lender. The Agent shall promptly notify the Company, the Additional Lender and the Issuing Bank (if any) upon being so satisfied.
- (c) Upon acceptance of the Facility B Establishment Notice by the Agent:
- (i) the Facility B Commitment shall be established but, in the case of an Additional Lender, only if such Additional Lender has acceded to this Agreement as a Lender in accordance with the terms of Clause 29.11 (*Additional Lenders*) and is a party to the Intercreditor Agreement as a Senior Facility Lender; and
  - (ii) each of the Obligors and any Additional Lender shall assume obligations towards one another and/or acquire rights against one another as the Obligors and the Additional Lender would have assumed and/or acquired had the Additional Lender been an Original Lender;
  - (iii) each Additional Lender shall become a Party as a "Lender" and any Additional Lender and each of the other Finance Parties shall assume obligations towards one another and acquire rights against one another as that Additional Lender and those Finance Parties would have assumed and/or acquired had the Additional Lender been an Original Lender; and
  - (iv) the Commitments of the other Lenders shall continue in full force and effect.
- (d) The Agent shall notify the relevant Lender or Additional Lender and the Company of the establishment of such Lender's or Additional Lender's Facility B Commitment on the date of acceptance referred to in paragraph (b) above.
- (e) All Facility B Commitments established pursuant to this Clause 2.2 shall for the purposes of the Intercreditor Agreement constitute Senior Facility Liabilities.
- (f) Facility B will only be available to Gestamp Funding Luxembourg, S.A.
- (g) The Company shall promptly on demand pay the Agent and the Security Agent the amount of all costs and expenses (including legal fees subject to any agreed cap) reasonably incurred by either of them in connection with any establishment of Facility B Commitments under this Clause 2.2.

- (h) The Company or Gestamp Funding Luxembourg S.A. may pay to the relevant Lender and/or Additional Lender a fee in the amount and at the times agreed in a Fee Letter.
- (i) Clause 29.4 (*Limitation of responsibility of Existing Lenders*) shall apply *mutatis mutandis* in this Clause 2.2 in relation to an Additional Lender as if references in that Clause to:
  - (i) an "**Existing Lender**" were references to all the Lenders immediately prior to the establishment of the relevant Facility B Commitment;
  - (ii) the "**New Lender**" were references to that "**Additional Lender**"; and
  - (iii) a "re-transfer" and "re-assignment" were references to respectively a "transfer" and "assignment".

### 2.3 Increase

- (a) The Company may by giving prior notice to the Agent by no later than the date falling 30 days after the effective date of a cancellation of:
  - (i) the Available Commitments of a Defaulting Lender in accordance with Clause 11.7 (*Right of cancellation in relation to a Defaulting Lender*); or
  - (ii) the Commitments of a Lender in accordance with:
    - (A) Clause 11.1 (*Illegality*); or
    - (B) paragraph (a) of Clause 11.6 (*Right of cancellation and repayment in relation to a single Lender or Issuing Bank*),

request that the Commitments relating to any Facility be increased (and the Commitments relating to that Facility shall be so increased) in an aggregate amount in the Base Currency of up to the amount of the Available Commitments or Commitments relating to that Facility so cancelled as follows:
- (iii) the increased Commitments will be assumed by one or more Lenders or other banks, financial institutions, trusts, funds or other entities (each an "**Increase Lender**") selected by the Company (each of which shall not be a member of the Group) and each of which confirms in writing (whether in the relevant Increase Confirmation or otherwise) its willingness to assume and does assume all the obligations of a Lender corresponding to that part of the increased Commitments which it is to assume, as if it had been an Original Lender;
- (iv) each of the Obligors and any Increase Lender shall assume obligations towards one another and/or acquire rights against one another as the Obligors and the Increase Lender would have assumed and/or acquired had the Increase Lender been an Original Lender;

- (v) each Increase Lender shall become a Party as a "Lender" and any Increase Lender and each of the other Finance Parties shall assume obligations towards one another and acquire rights against one another as that Increase Lender and those Finance Parties would have assumed and/or acquired had the Increase Lender been an Original Lender;
  - (vi) the Commitments of the other Lenders shall continue in full force and effect; and
  - (vii) any increase in the Commitments relating to a Facility shall take effect on the date specified by the Company in the notice referred to above or any later date on which the conditions set out in paragraph (b) below are satisfied.
- (b) An increase in the Commitments relating to a Facility will only be effective on:
- (i) the execution by the Agent of an Increase Confirmation from the relevant Increase Lender;
  - (ii) in relation to an Increase Lender which is not a Lender immediately prior to the relevant increase:
    - (A) the Increase Lender entering into the documentation required for it to accede as a party to the Intercreditor Agreement; and
    - (B) the Agent being satisfied that it has complied with all necessary "know your customer" or other similar checks under all applicable laws and regulations in relation to the assumption of the increased Commitments by that Increase Lender. The Agent shall promptly notify the Company, the Increase Lender and the Issuing Bank upon being so satisfied; and
  - (iii) in the case of an increase in the Total Revolving Facility Commitments, the Issuing Bank consenting to that increase.
- (c) Each Increase Lender, by executing the Increase Confirmation, confirms (for the avoidance of doubt) that the Agent has authority to execute on its behalf any amendment or waiver that has been approved by or on behalf of the requisite Lender or Lenders in accordance with this Agreement on or prior to the date on which the increase becomes effective.
- (d) The Company shall promptly on demand pay the Agent and the Security Agent the amount of all costs and expenses (including legal fees) reasonably incurred by either of them and, in the case of the Security Agent, by any Receiver or Delegate in connection with any increase in Commitments under this Clause 2.3.
- (e) The Increase Lender shall, on the date upon which the increase takes effect, pay to the Agent (for its own account) a fee in an amount equal to the fee which would be payable under Clause 29.3 (*Assignment or transfer fee*) if the

increase was a transfer pursuant to Clause 29.5 (*Procedure for transfer*) and if the Increase Lender was a New Lender.

- (f) The Company may pay to the Increase Lender a fee in the amount and at the times agreed between the Company and the Increase Lender in a Fee Letter.
- (g) Clause 29.4 (*Limitation of responsibility of Existing Lenders*) shall apply *mutatis mutandis* in this Clause 2.3 in relation to an Increase Lender as if references in that Clause to:
  - (i) an "**Existing Lender**" were references to all the Lenders immediately prior to the relevant increase;
  - (ii) the "**New Lender**" were references to that "**Increase Lender**"; and
  - (iii) a "**re-transfer**" and "**re-assignment**" were references to respectively a "**transfer**" and "**assignment**".

## 2.4 Finance Parties' rights and obligations

- (a) The obligations of each Finance Party under the Finance Documents are several. Failure by a Finance Party to perform its obligations under the Finance Documents does not affect the obligations of any other Party under the Finance Documents. No Finance Party is responsible for the obligations of any other Finance Party under the Finance Documents.
- (b) The rights of each Finance Party under or in connection with the Finance Documents are separate and independent rights and any debt arising under the Finance Documents to a Finance Party from an Obligor shall be a separate and independent debt.
- (c) A Finance Party may, except as otherwise stated in the Finance Documents, separately enforce its rights under the Finance Documents.

## 2.5 Obligors' Agent

- (a) Each Obligor (other than the Company) by its execution of this Agreement or an Accession Deed irrevocably appoints the Company (acting through one or more authorised signatories) to act on its behalf as its agent in relation to the Finance Documents and irrevocably authorises:
  - (i) the Company on its behalf to supply all information concerning itself contemplated by this Agreement to the Finance Parties and to give all notices and instructions (including, in the case of a Borrower, Utilisation Requests), to execute on its behalf any Accession Deed, to make such agreements and to effect the relevant amendments, supplements and variations capable of being given, made or effected by any Obligor notwithstanding that they may affect the Obligor, without further reference to or the consent of that Obligor; and
  - (ii) each Finance Party to give any notice, demand or other communication to that Obligor pursuant to the Finance Documents to the Company,

and in each case the Obligor shall be bound as though the Obligor itself had given the notices and instructions (including, without limitation, any Utilisation Requests) or executed or made the agreements or effected the amendments, supplements or variations, or received the relevant notice, demand or other communication. For this purpose each Obligor incorporated in Germany releases the Company to the fullest extent possible from the restrictions of Section 181 of the German Civil Code (*Bürgerliches Gesetzbuch*).

- (b) Every act, omission, agreement, undertaking, settlement, waiver, amendment, supplement, variation, notice or other communication given or made by the Obligors' Agent or given to the Obligors' Agent under any Finance Document on behalf of another Obligor or in connection with any Finance Document (whether or not known to any other Obligor and whether occurring before or after such other Obligor became an Obligor under any Finance Document) shall be binding for all purposes on that Obligor as if that Obligor had expressly made, given or concurred with it. In the event of any conflict between any notices or other communications of the Obligors' Agent and any other Obligor, those of the Obligors' Agent shall prevail.

### 3. **PURPOSE**

#### 3.1 **Purpose**

- (a) Each Borrower shall apply all amounts borrowed by it under a Term Facility towards:
  - (i) refinancing certain Financial Indebtedness of the Group and payment of any associated costs and expenses;
  - (ii) the payment of costs and expenses incurred by the Company or any other member of the Group in connection with entry into the Finance Documents and issue of the Senior Secured Notes; and
  - (iii) the general corporate purposes of the Group,as described in the Funds Flow Statement.
- (b) Each Borrower shall apply all amounts borrowed by it under the Revolving Facility towards the general corporate and working capital purposes of the Group.

#### 3.2 **Monitoring**

No Finance Party is bound to monitor or verify the application of any amount borrowed pursuant to this Agreement.



#### **4. CONDITIONS OF UTILISATION**

##### **4.1 Initial conditions precedent**

The Lenders will only be obliged to comply with Clause 5.4 (*Lenders' participation*) in relation to any Utilisation if on or before the Utilisation Date for that Utilisation, the Agent has received all of the documents and other evidence listed in Part I of Schedule 2 (*Conditions Precedent*) in form and substance satisfactory to the Agent. The Agent shall notify the Company and the Lenders promptly upon being so satisfied.

##### **4.2 Further conditions precedent**

Subject to Clause 4.1 (*Initial conditions precedent*), the Lenders will only be obliged to comply with Clause 5.4 (*Lenders' participation*) in relation to a Utilisation if on the date of the Utilisation Request and on the proposed Utilisation Date:

- (a) in the case of a Rollover Loan, no notice has been given pursuant to Clause 28.18 (*Acceleration and/or Other Remedies*), paragraphs (ii), (iv) or (vi) or having placed any amount on demand pursuant to paragraphs (iii), (v) or (vii), demand is made under any of these paragraphs and in the case of any other Utilisation, no Event of Default is continuing or would result from the proposed Utilisation; and
- (b) in relation to any Utilisation on the Closing Date, all the representations and warranties in Clause 24 (*Representations*) or, in relation to any other Utilisation, the Repeating Representations to be made by each Obligor on the relevant date are true in all material respects.

##### **4.3 Conditions relating to Optional Currencies**

- (a) A currency will constitute an Optional Currency in relation to a Revolving Facility Utilisation if it is dollars or:
  - (i) it is readily available in the amount required and freely convertible into the Base Currency in the Relevant Interbank Market on the Quotation Day and the Utilisation Date for that Utilisation; and
  - (ii) has been approved by the Agent (acting on the instructions of all the Lenders under the Revolving Facility) on or prior to receipt by the Agent of the relevant Utilisation Request for that Utilisation.
- (b) If the Agent has received a written request from the Company for a currency to be approved under paragraph (a)(ii) above, the Agent will confirm to the Company by the Specified Time:
  - (i) whether or not the Lenders under the Revolving Facility have granted their approval; and
  - (ii) if approval has been granted, the minimum amount for any subsequent Utilisation in that currency.

#### 4.4 **Maximum number of Utilisations**

- (a) A Borrower (or the Company) may not deliver a Utilisation Request if as a result of the proposed Utilisation:
  - (i) more than four Term Loans would be outstanding; or
  - (ii) sixteen or more Revolving Facility Loans would be outstanding.
- (b) A Borrower (or the Company) may request that a Facility B Loan be divided in accordance with Clause 15.4 (*Division of Facility B Loans*).
- (c) Any Loan made by a single Lender under Clause 8.2 (*Unavailability of a currency*) shall not be taken into account in this Clause 4.4.
- (d) A Borrower (or the Company) may not request that a Letter of Credit be issued under the Revolving Facility if, as a result of the proposed Utilisation, 21 or more Letters of Credit would be outstanding.

## **SECTION 3 UTILISATION**

### **5. UTILISATION – LOANS**

#### **5.1 Delivery of a Utilisation Request**

A Borrower (or the Company on its behalf) may utilise a Facility by delivery to the Agent of a duly completed Utilisation Request not later than the Specified Time (or such later time as the Agent may agree).

#### **5.2 Completion of a Utilisation Request for Loans**

- (a) Each Utilisation Request for a Loan is irrevocable and will not be regarded as having been duly completed unless:
  - (i) it identifies the Facility to be utilised;
  - (ii) the proposed Utilisation Date is a Business Day within the Availability Period applicable to that Facility;
  - (iii) the currency and amount of the Utilisation comply with Clause 5.3 (*Currency and amount*); and
  - (iv) the proposed Interest Period complies with Clause 15 (*Interest Periods*).
- (b) Multiple Utilisations may be requested in a Utilisation Request where the proposed Utilisation Date is the Closing Date. Only one Utilisation may be requested in each subsequent Utilisation Request.

#### **5.3 Currency and amount**

- (a) The currency specified in a Utilisation Request must be:
  - (i) in relation to Facility A, the Base Currency;
  - (ii) in relation to Facility B, the Base Currency; and
  - (iii) in relation to the Revolving Facility, the Base Currency or an Optional Currency.
- (b) The amount of the proposed Utilisation for the Revolving Facility must be:
  - (i) if the currency selected is the Base Currency, a minimum of EUR 5,000,000 or, if less, the Available Facility;
  - (ii) if the currency selected is dollars, a minimum of \$5,000,000 or, if less, the Available Facility; or
  - (iii) if the currency selected is an Optional Currency other than dollars the minimum amount specified by the Agent pursuant to paragraph (b) (ii)

of Clause 4.3 (*Conditions relating to Optional Currencies*) or, if less, the Available Facility.

#### **5.4 Lenders' participation**

- (a) If the conditions set out in this Agreement have been met, and subject to Clause 10.2 (*Repayment of Revolving Facility Loans*), each Lender shall make its participation in each Loan available by the Utilisation Date through its Facility Office.
- (b) Other than as set out in paragraph (c) below, the amount of each Lender's participation in each Loan will be equal to the proportion borne by its Available Commitment to the Available Facility immediately prior to making the Loan.
- (c) If a Revolving Facility Utilisation is made to repay Ancillary Outstandings, each Lender's participation in that Utilisation will be in an amount (as determined by the Agent) which will result as nearly as possible in the aggregate amount of its participation in the Revolving Facility Utilisations then outstanding bearing the same proportion to the aggregate amount of the Revolving Facility Utilisations then outstanding as its Revolving Facility Commitment bears to the Total Revolving Facility Commitments.
- (d) The Agent shall determine the Base Currency Amount of each Revolving Facility Loan which is to be made in an Optional Currency and notify each Lender of the amount, currency and the Base Currency Amount of each Loan, the amount of its participation in that Loan and, if different, the amount of that participation to be made available in accordance with Clause 35.1 (*Payments to the Agent*) by the Specified Time.

#### **5.5 Limitations on Utilisations**

- (a) The Revolving Facility shall not be utilised unless each of Facility A and (if made available) Facility B has been or is on the same Utilisation Date being utilised.
- (b) Facility A and Facility B (if made available) may only be utilised if each such Facility is utilised pro rata to the Available Commitments under such Facility on that date.

#### **5.6 Cancellation of Commitment**

- (a) The Facility A Commitments which, at that time, are unutilised shall be immediately cancelled at the end of the Availability Period for Facility A.
- (b) The Facility B Commitments which, at that time, are unutilised shall be immediately cancelled at the end of the Availability Period for Facility B.
- (c) The Revolving Facility Commitments which, at that time, are unutilised shall be immediately cancelled at the end of the Availability Period for the Revolving Facility.

## **6. UTILISATION – LETTERS OF CREDIT**

### **6.1 The Revolving Facility**

- (a) The Revolving Facility may be utilised by way of Letters of Credit.
- (b) Other than Clause 5.5 (*Limitations on Utilisations*), Clause 5 (*Utilisation – Loans*) does not apply to utilisations by way of Letters of Credit.

### **6.2 Delivery of a Utilisation Request for Letters of Credit**

A Borrower (or the Company on its behalf) may request a Letter of Credit to be issued by delivery to the Agent of a duly completed Utilisation Request not later than the Specified Time (or such later time as the Agent may agree).

### **6.3 Completion of a Utilisation Request for Letters of Credit**

Each Utilisation Request for a Letter of Credit is irrevocable and will not be regarded as having been duly completed unless:

- (a) it specifies that it is for a Letter of Credit;
- (b) it identifies the Borrower of the Letter of Credit;
- (c) it identifies the Issuing Bank which has agreed to issue the Letter of Credit;
- (d) the proposed Utilisation Date is a Business Day within the Availability Period applicable to the Revolving Facility;
- (e) the currency and amount of the Letter of Credit comply with Clause 6.4 (*Currency and amount*);
- (f) the form of Letter of Credit is attached;
- (g) the Term of the Letter of Credit ends on or prior to the Termination Date applicable to the Revolving Facility;
- (h) the delivery instructions for the Letter of Credit are specified; and
- (i) the beneficiary of the Letter of Credit is not an entity or located in a jurisdiction where the Issuing Bank or any Lender under the Revolving Facility would breach applicable law or regulation if it issued such Letter of Credit or indemnified the Issuing Bank in respect of such Letter of Credit respectively.

### **6.4 Currency and amount**

- (a) The currency specified in a Utilisation Request must be the Base Currency or an Optional Currency.

- (b) Subject to paragraph (c) of Clause 5.5 (*Limitations on Utilisations*), the amount of the proposed Letter of Credit must be an amount whose Base Currency Amount is not more than the Available Facility and which is:
  - (i) if the currency selected is the Base Currency, a minimum of EUR 5,000,000 or, if less, the Available Facility;
  - (ii) if the currency selected is dollars, a minimum of \$5,000,000 or, if less, the Available Facility; or
  - (iii) if the currency selected is an Optional Currency other than dollars, the minimum amount specified by the Agent pursuant to paragraph (b)(ii) of Clause 4.3 (*Conditions relating to Optional Currencies*) or, if less, the Available Facility.

## 6.5 Issue of Letters of Credit

- (a) If the conditions set out in this Agreement have been met, the Issuing Bank shall issue the Letter of Credit on the Utilisation Date.
- (b) Subject to Clause 4.1 (*Initial conditions precedent*), the Issuing Bank will only be obliged to comply with paragraph (a) above if on the date of the Utilisation Request or Renewal Request and on the proposed Utilisation Date:
  - (i) in the case of a Letter of Credit to be renewed in accordance with Clause 6.6 (*Renewal of a Letter of Credit*) no notice has been given pursuant to Clause 28.18 (*Acceleration and/or Other Remedies*) paragraphs (ii), (iv) or (vi) or, having placed any amount on demand pursuant to paragraphs (iii), (v) or (vii), demand is made under any of those paragraphs and, in the case of any other Utilisation, no Event of Default is continuing or would result from the proposed Utilisation;
  - (ii) in relation to any Utilisation on the Closing Date, all the representations and warranties in Clause 24 (*Representations*) or, in relation to any other Utilisation, the Repeating Representations to be made by each Obligor on such date are true in all material respects; and
  - (iii) each Obligor is in compliance with its obligations under Clause 27.4 (*Sanctions and Anti-Corruption Law*).
- (c) The amount of each Lender's participation in each Letter of Credit will be equal to the proportion borne by its Available Commitment to the Available Facility (in each case in relation to the Revolving Facility) immediately prior to the issue of the Letter of Credit.
- (d) The Agent shall determine the Base Currency Amount of each Letter of Credit which is to be issued in an Optional Currency and shall notify the Issuing Bank and each Lender of the details of the requested Letter of Credit and its participation in that Letter of Credit by the Specified Time.



- (e) The Issuing Bank has no duty to enquire of any person whether or not any of the conditions set out in paragraph (b) above have been met. The Issuing Bank may assume that those conditions have been met unless it is expressly notified to the contrary by the Agent. The Issuing Bank will have no liability to any person for issuing a Letter of Credit based on such assumption.
- (f) The Issuing Bank is solely responsible for the form of the Letter of Credit that it issues. The Agent has no duty to monitor the form of that document.
- (g) Subject to paragraph (i) of Clause 32.7 (*Rights and discretions*), each of the Issuing Bank and the Agent shall provide the other with any information reasonably requested by the other that relates to a Letter of Credit and its issue.
- (h) The Issuing Bank may issue a Letter of Credit in the form of a SWIFT message or other form of communication customary in the relevant market but has no obligation to do so.
- (i) The Company shall supply to the Agent promptly on request such information as the Issuing Bank or any Lender under the Revolving Facility may reasonably require in order to determine compliance with paragraph (i) of Clause 6.3 (*Completion of Utilisation Request to Letters of Credit*).

#### **6.6 Renewal of a Letter of Credit**

- (a) A Borrower (or the Company on its behalf) may request that any Letter of Credit issued on behalf of that Borrower be renewed by delivery to the Agent of a Renewal Request in substantially similar form to a Utilisation Request for a Letter of Credit by the Specified Time.
- (b) The Finance Parties shall treat any Renewal Request in the same way as a Utilisation Request for a Letter of Credit except that the conditions set out in paragraph (f) of Clause 6.3 (*Completion of a Utilisation Request for Letters of Credit*) shall not apply.
- (c) The terms of each renewed Letter of Credit shall be the same as those of the relevant Letter of Credit immediately prior to its renewal, except that:
  - (i) its amount may be less than the amount of the Letter of Credit immediately prior to its renewal; and
  - (ii) its Term shall start on the date which was the Expiry Date of the Letter of Credit immediately prior to its renewal, and shall end on the proposed Expiry Date specified in the Renewal Request.
- (d) Subject to paragraph (e) below, if the conditions set out in this Agreement have been met, the Issuing Bank shall amend and re-issue any Letter of Credit pursuant to a Renewal Request.
- (e) Where a new Letter of Credit is to be issued to replace by way of renewal an existing Letter of Credit, the Issuing Bank is not required to issue that new

Letter of Credit until the Letter of Credit being replaced has been returned to the Issuing Bank or the Issuing Bank (acting reasonably) is satisfied either that it will be returned to it or otherwise that no liability can arise under it.

#### **6.7 Reduction of a Letter of Credit**

- (a) If, on the proposed Utilisation Date of a Letter of Credit, any Lender under the Revolving Facility is a Non-Acceptable L/C Lender and:
  - (i) that Lender has failed to provide cash collateral to the Issuing Bank in accordance with Clause 7.4 (*Cash collateral by Non-Acceptable L/C Lender and Borrower's option to provide cash cover*); and
  - (ii) the Borrower of that proposed Letter of Credit has not exercised its right to provide cash cover to the Issuing Bank in accordance with paragraph (g) of Clause 7.4 (*Cash collateral by Non-Acceptable L/C Lender and Borrower's option to provide cash cover*),

the Issuing Bank may reduce the amount of that Letter of Credit by an amount equal to the amount of the participation of that Non-Acceptable L/C Lender in respect of that Letter of Credit and that Non-Acceptable L/C Lender shall be deemed not to have any participation (or obligation to indemnify the Issuing Bank) in respect of that Letter of Credit for the purposes of the Finance Documents.

- (b) The Issuing Bank shall notify the Agent and the Company of each reduction made pursuant to this Clause 6.7.
- (c) This Clause 6.7 shall not affect the participation of each other Lender in that Letter of Credit.

#### **6.8 Revaluation of Letters of Credit**

- (a) If any Letters of Credit are denominated in an Optional Currency, the Agent shall at six monthly intervals after the date of issue of the relevant Letter of Credit recalculate the Base Currency Amount of each Letter of Credit by notionally converting into the Base Currency the outstanding amount of that Letter of Credit on the basis of the Agent's Spot Rate of Exchange on the date of calculation.
- (b) The Company shall, if requested by the Agent within five Business Days of any calculation under paragraph (a) above, ensure that within three Business Days of any such request sufficient Revolving Facility Utilisations are prepaid to prevent the Base Currency Amount of the Revolving Facility Utilisations exceeding the Total Revolving Facility Commitments (after deducting the total Ancillary Commitments) following any adjustment to a Base Currency Amount under paragraph (a) above.

#### **6.9 Appointment of additional Issuing Banks**

Any Lender which has agreed to the Company's request to be an Issuing Bank pursuant to the terms of this Agreement shall become an Issuing Bank for the

purposes of this Agreement upon notifying the Agent and the Company that it has so agreed to be an Issuing Bank and on making that notification that Lender shall become bound by the terms of this Agreement as an Issuing Bank.

## **7. LETTERS OF CREDIT**

### **7.1 Immediately payable**

If a Letter of Credit or any amount outstanding under a Letter of Credit is expressed to be immediately payable, the Borrower that requested (or on behalf of which the Company requested) the issue of that Letter of Credit shall repay or prepay that amount within 4 Business Days of demand.

### **7.2 Claims under a Letter of Credit**

- (a) Each Borrower irrevocably and unconditionally authorises the Issuing Bank to pay any claim made or purported to be made under a Letter of Credit requested by it (or requested by the Company on its behalf) and which appears on its face to be in order (in this Clause 7, a "**claim**").
- (b) Each Borrower shall immediately on demand or, if such payment is being funded by a Revolving Facility Loan, shall within four Business Days of demand pay to the Agent for the Issuing Bank an amount equal to the amount of any claim.
- (c) Each Borrower acknowledges that the Issuing Bank:
  - (i) is not obliged to carry out any investigation or seek any confirmation from any other person before paying a claim; and
  - (ii) deals in documents only and will not be concerned with the legality of a claim or any underlying transaction or any available set-off, counterclaim or other defence of any person.
- (d) The obligations of a Borrower under this Clause 7 will not be affected by:
  - (i) the sufficiency, accuracy or genuineness of any claim or any other document; or
  - (ii) any incapacity of, or limitation on the powers of, any person signing a claim or other document.

### **7.3 Indemnities**

- (a) Each Borrower shall within 5 Business Days of demand indemnify the Issuing Bank against any cost, loss or liability incurred by the Issuing Bank (otherwise than by reason of the Issuing Bank's gross negligence or wilful misconduct or material breach of its obligations under the Finance Documents) in acting as the Issuing Bank under any Letter of Credit requested by (or on behalf of) that Borrower.

- (b) Each Lender shall (according to its L/C Proportion) immediately on demand indemnify the Issuing Bank against any cost, loss or liability incurred by the Issuing Bank (otherwise than by reason of the Issuing Bank's gross negligence or wilful misconduct or material breach of its obligations under the Finance Documents) in acting as the Issuing Bank under any Letter of Credit (unless the Issuing Bank has been reimbursed by an Obligor pursuant to a Finance Document).
- (c) The Borrower which requested (or on behalf of which the Company requested) a Letter of Credit shall within 5 Business Days of demand reimburse any Lender for any payment it makes to the Issuing Bank under this Clause 7.3 in respect of that Letter of Credit.
- (d) The obligations of each Lender or Borrower under this Clause are continuing obligations and will extend to the ultimate balance of sums payable by that Lender or Borrower in respect of any Letter of Credit, regardless of any intermediate payment or discharge in whole or in part.
- (e) If a Borrower has provided cash cover in respect of a Lender's participation in a Letter of Credit, the Issuing Bank shall seek reimbursement from that cash cover before making a demand of that Lender under paragraph (b) above. Any recovery made by an Issuing Bank pursuant to that cash cover will reduce that Lender's liability under paragraph (b) above.
- (f) The obligations of any Lender or Borrower under this Clause will not be affected by any act, omission, matter or thing which, but for this Clause, would reduce, release or prejudice any of its obligations under this Clause (without limitation and whether or not known to it or any other person) including:
  - (i) any time, waiver or consent granted to, or composition with, any Obligor, any beneficiary under a Letter of Credit or any other person;
  - (ii) the release of any other Obligor or any other person under the terms of any composition or arrangement with any creditor or any member of the Group;
  - (iii) the taking, variation, compromise, exchange, renewal or release of, or refusal or neglect to perfect, take up or enforce, any rights against, or security over assets of, any Obligor, any beneficiary under a Letter of Credit or other person or any non-presentation or non-observance of any formality or other requirement in respect of any instrument or any failure to realise the full value of any security;
  - (iv) any incapacity or lack of power, authority or legal personality of or dissolution or change in the members or status of an Obligor, any beneficiary under a Letter of Credit or any other person;
  - (v) any amendment (however fundamental) or replacement of a Finance Document, any Letter of Credit or any other document or security;

- (vi) any unenforceability, illegality or invalidity of any obligation of any person under any Finance Document, any Letter of Credit or any other document or security; or
- (vii) any insolvency or similar proceedings.

**7.4 Cash collateral by Non-Acceptable L/C Lender and Borrower's option to provide cash cover**

- (a) If, at any time, a Lender under the Revolving Facility is a Non-Acceptable L/C Lender, the Issuing Bank may, by notice to that Lender, request that Lender to pay and that Lender shall pay, on or prior to the date falling five Business Days after the request by the Issuing Bank, an amount equal to that Lender's L/C Proportion of:
  - (i) the outstanding amount of a Letter of Credit; or
  - (ii) in the case of a proposed Letter of Credit, the amount of that proposed Letter of Credit,

and in the currency of that Letter of Credit to an interest-bearing account held in the name of that Lender with the Issuing Bank.

- (b) The Non-Acceptable L/C Lender to whom a request has been made in accordance with paragraph (a) above shall enter into a security document or other form of collateral arrangement over the account, in form and substance satisfactory to the Issuing Bank, as collateral for any amounts due and payable under this Agreement by that Lender to the Issuing Bank in respect of that Letter of Credit.
- (c) Subject to paragraph (f) below, withdrawals from such an account may only be made to pay the Issuing Bank amounts due and payable to it under this Agreement by the Non-Acceptable L/C Lender in respect of that Letter of Credit until no amount is or may be outstanding under that Letter of Credit.
- (d) Each Lender under the Revolving Facility shall notify the Agent and the Company:
  - (i) on the date of this Agreement or on any later date on which it becomes such a Lender in accordance with Clause 2.3 (*Increase*) or Clause 29 (*Changes to the Lenders*) whether it is a Non-Acceptable L/C Lender; and
  - (ii) as soon as practicable upon becoming aware of the same, that it has become a Non-Acceptable L/C Lender,

and an indication in Schedule 1 (*The Original Parties*), in a Transfer Certificate, in an Assignment Agreement or in an Increase Confirmation to that effect will constitute a notice under paragraph (i) above to the Agent and, upon delivery in accordance with Clause 29.7 (*Copy of Transfer Certificate, Assignment Agreement or Increase Confirmation to Company*), to the Company.

- (e) Any notice received by the Agent pursuant to paragraph (d) above shall constitute notice to the Issuing Bank of that Lender's status and the Agent shall, upon receiving each such notice, promptly notify the Issuing Bank of that Lender's status as specified in that notice.
- (f) Notwithstanding paragraph (c) above, a Lender which has provided cash collateral in accordance with this Clause 7.4 may, by notice to the Issuing Bank request that an amount equal to the amount provided by it as collateral in respect of the relevant Letter of Credit (together with any accrued interest) be returned to it:
  - (i) to the extent that such cash collateral has not been applied in satisfaction of any amount due and payable under this Agreement by that Lender to the Issuing Bank in respect of the relevant Letter of Credit;
  - (ii) if:
    - (A) it ceases to be a Non Acceptable L/C Lender;
    - (B) its obligations in respect of the relevant Letter of Credit are transferred to a New Lender in accordance with the terms of this Agreement; or
    - (C) an Increase Lender has agreed to undertake that Lender's obligations in respect of the relevant Letter of Credit in accordance with the terms of this Agreement; and
  - (iii) if no amount is due and payable by that Lender in respect of a Letter of Credit,

and the Issuing Bank shall pay that amount to the Lender within five Business Days of that Lender's request (and shall cooperate with the Lender in order to procure that the relevant security or collateral arrangement is released and discharged).

- (g) To the extent that a Non-Acceptable L/C Lender fails to provide cash collateral (or notifies the Issuing Bank that it will not provide cash collateral) in accordance with this Clause 7.4 in respect of a proposed Letter of Credit, the Issuing Bank shall promptly notify the Company (with a copy to the Agent) and the Borrower of that proposed Letter of Credit may, at any time before the proposed Utilisation Date of that Letter of Credit and without prejudice to the Non-Acceptable L/C Lender's obligations under this Clause 7.4, provide cash cover to an account with the Issuing Bank in an amount equal to that Lender's L/C Proportion of the amount of that proposed Letter of Credit.



## 7.5 Requirement for cash cover from Borrower

If:

- (a) a Non-Acceptable L/C Lender fails to provide cash collateral (or notifies the Issuing Bank that it will not provide cash collateral) in accordance with Clause 7.4 (*Cash collateral by Non-Acceptable L/C Lender and Borrower's option to provide cash cover*) in respect of a Letter of Credit that has been issued;
- (b) the Issuing Bank notifies the Company (with a copy to the Agent) that it requires the Borrower of the relevant Letter of Credit to provide cash cover to an account with the Issuing Bank in an amount equal to that Lender's L/C Proportion of the outstanding amount of that Letter of Credit and in the currency of that Letter of Credit; and
- (c) that Borrower has not already provided such cash cover which is continuing to stand as collateral,

then that Borrower shall provide such cash cover within five Business Days of the notice referred to in paragraph (b) above.

## 7.6 Regulation and consequences of cash cover provided by Borrower

- (a) Any cash cover provided by a Borrower pursuant to Clause 7.4 (*Cash collateral by Non-Acceptable L/C Lender and Borrower's option to provide cash cover*) or Clause 7.5 (*Requirement for cash cover from Borrower*) may be funded out of a Revolving Facility Loan.
- (b) Notwithstanding paragraph (d) of Clause 1.2 (*Construction*), the relevant Borrower may request that an amount equal to the cash cover (together with any accrued interest) provided by it pursuant to Clause 7.4 (*Cash collateral by Non-Acceptable L/C Lender and Borrower's option to provide cash cover*) or Clause 7.5 (*Requirement for cash cover from Borrower*) be returned to it:
  - (i) to the extent that such cash cover has not been applied in satisfaction of any amount due and payable under this Agreement by that Borrower to the Issuing Bank in respect of a Letter of Credit;
  - (ii) if:
    - (A) the relevant Lender ceases to be a Non Acceptable L/C Lender;
    - (B) the relevant Lender's obligations in respect of the relevant Letter of Credit are transferred to a New Lender in accordance with the terms of this Agreement; or
    - (C) an Increase Lender has agreed to undertake the relevant Lender's obligations in respect of the relevant Letter of Credit in accordance with the terms of this Agreement; and

- (iii) if no amount is due and payable by the relevant Lender in respect of the relevant Letter of Credit,

and the Issuing Bank shall pay that amount to that Borrower within five Business Days of that Borrower's request.

- (c) To the extent that a Borrower has provided cash cover pursuant to Clause 7.4 (*Cash collateral by Non-Acceptable L/C Lender and Borrower's option to provide cash cover*) or Clause 7.5 (*Requirement for cash cover from Borrower*), the relevant Lender's L/C Proportion in respect of that Letter of Credit will remain (but that Lender's obligations in relation to that Letter of Credit may be satisfied in accordance with paragraph (d)(ii) of Clause 1.2 (*Construction*)). However, the relevant Borrower's obligation to pay any Letter of Credit fee in relation to the relevant Letter of Credit to the Agent (for the account of that Lender) in accordance with paragraph (b) of Clause 17.5 (*Fees payable in respect of Letters of Credit*) will be reduced proportionately as from the date on which it provides that cash cover (and for so long as the relevant amount of cash cover continues to stand as collateral).
- (d) The relevant Issuing Bank shall promptly notify the Agent of the extent to which a Borrower provides cash cover pursuant to Clause 7.4 (*Cash collateral by Non-Acceptable L/C Lender and Borrower's option to provide cash cover*) or Clause 7.5 (*Requirement for cash cover from Borrower*) and of any change in the amount of cash cover so provided.

## **7.7 Rights of contribution**

No Obligor will be entitled to any right of contribution or indemnity from any Finance Party in respect of any payment it may make under this Clause 7.

## **8. OPTIONAL CURRENCIES**

### **8.1 Selection of currency**

A Borrower (or the Company on its behalf) shall select the currency of a Revolving Facility Utilisation in a Utilisation Request.

### **8.2 Unavailability of a currency**

If before the Specified Time on any Quotation Day:

- (a) a Lender notifies the Agent that the Optional Currency requested is not readily available to it in the amount required; or
- (b) a Lender notifies the Agent that compliance with its obligation to participate in a Loan in the proposed Optional Currency would contravene a law or regulation applicable to it,

the Agent will give notice to the relevant Borrower or Company to that effect by the Specified Time on that day. In this event, any Lender that gives notice pursuant to this Clause 8.2 will be required to participate in the Loan in the Base Currency (in an amount equal to that Lender's proportion of the Base Currency Amount, or in respect

of a Rollover Loan, an amount equal to that Lender's proportion of the Base Currency Amount of the Rollover Loan that is due to be made) and its participation will be treated as a separate Loan denominated in the Base Currency during that Interest Period.

### **8.3 Agent's calculations**

Each Lender's participation in a Loan will be determined in accordance with paragraph (b) of Clause 5.4 (*Lenders' participation*).

## **9. ANCILLARY FACILITIES**

### **9.1 Type of Facility**

An Ancillary Facility may be by way of:

- (a) an overdraft facility;
- (b) a guarantee, bonding, documentary or stand-by letter of credit facility;
- (c) a short term loan facility;
- (d) a foreign exchange facility; or
- (e) any other facility or accommodation (other than a derivatives facility) required in connection with the business of the Group and which is agreed by the Company with an Ancillary Lender.

### **9.2 Availability**

- (a) If the Company and a Lender agree and except as otherwise provided in this Agreement, the Lender may provide all or part of its Revolving Facility Commitment as an Ancillary Facility.
- (b) An Ancillary Facility shall not be made available unless, not later than five Business Days (or such later date as the Agent may agree) prior to the Ancillary Commencement Date for an Ancillary Facility, the Agent has received from the Company:
  - (i) a notice in writing of the establishment of an Ancillary Facility and specifying:
    - (A) the proposed Borrower(s) (or Affiliates of a Borrower) which may use the Ancillary Facility;
    - (B) the proposed Ancillary Commencement Date and expiry date of the Ancillary Facility;
    - (C) the proposed type of Ancillary Facility to be provided;
    - (D) the proposed Ancillary Lender;

- (E) the proposed Ancillary Commitment, the maximum amount of the Ancillary Facility and, in the case of a Multi-account Overdraft, its Designated Gross Amount and its Designated Net Amount; and
  - (F) the proposed currency of the Ancillary Facility (if not denominated in the Base Currency); and
- (ii) any other information which the Agent may reasonably request in connection with the Ancillary Facility.
- (c) The Agent shall promptly notify the Ancillary Lender and the other Lenders of the establishment of an Ancillary Facility.
- (d) Subject to compliance with paragraph (b) above:
  - (i) the Lender concerned will become an Ancillary Lender; and
  - (ii) the Ancillary Facility will be available,

with effect from the date agreed by the Company and the Ancillary Lender.

### 9.3 Terms of Ancillary Facilities

- (a) Except as provided below, the terms of any Ancillary Facility will be those agreed by the Ancillary Lender and the Company.
- (b) Those terms:
  - (i) must be based upon normal commercial terms at that time (except as varied by this Agreement);
  - (ii) may allow only Borrowers (or Affiliates of Borrowers nominated pursuant to Clause 9.8 (*Affiliates of Borrowers*)) to use the Ancillary Facility;
  - (iii) may not allow the Ancillary Outstandings to exceed the Ancillary Commitment;
  - (iv) may not allow a Lender's Ancillary Commitment to exceed that Lender's Available Commitment relating to the Revolving Facility (before taking into account the effect of the Ancillary Facility on that Available Commitment); and
  - (v) must require that the Ancillary Commitment is reduced to zero, and that all Ancillary Outstandings are repaid not later than the Termination Date applicable to the Revolving Facility (or such earlier date as the Revolving Facility Commitment of the relevant Ancillary Lender (or its Affiliate) is reduced to zero).

- (c) If there is any inconsistency between any term of an Ancillary Facility and any term of this Agreement, this Agreement shall prevail except for:
  - (i) Clause 38.3 (*Day count convention*) which shall not prevail for the purposes of calculating fees, interest or commission relating to an Ancillary Facility;
  - (ii) an Ancillary Facility comprising more than one account where the terms of the Ancillary Documents shall prevail to the extent required to permit the netting of balances on those accounts; and
  - (iii) where the relevant term of this Agreement would be contrary to, or inconsistent with, the law governing the relevant Ancillary Document, in which case that term of this Agreement shall not prevail.
- (d) Interest, commission and fees on Ancillary Facilities are dealt with in Clause 17.6 (*Interest, commission and fees on Ancillary Facilities*).

#### 9.4 Repayment of Ancillary Facility

- (a) An Ancillary Facility shall cease to be available on the Termination Date applicable to the Revolving Facility or such earlier date on which its expiry date occurs or on which it is cancelled in accordance with the terms of this Agreement.
- (b) If an Ancillary Facility expires in accordance with its terms the Ancillary Commitment of the Ancillary Lender shall be reduced to zero.
- (c) No Ancillary Lender may demand repayment or prepayment of any Ancillary Outstandings prior to the scheduled expiry date of the relevant Ancillary Facility or cause any Ancillary Outstandings to fall due by transferring its Commitments to a New Lender unless:
  - (i) required to reduce the Gross Outstandings of a Multi account Overdraft to or towards an amount equal to its Net Outstandings;
  - (ii) the Total Revolving Facility Commitments have been cancelled in full, or all outstanding Utilisations under the Revolving Facility have become due and payable in accordance with the terms of this Agreement;
  - (iii) it becomes unlawful in any applicable jurisdiction for the Ancillary Lender to perform any of its obligations as contemplated by this Agreement or to fund, issue or maintain its participation in its Ancillary Facility (or it becomes unlawful for any Affiliate of the Ancillary Lender which has become an Ancillary Lender to do so); or
  - (iv) any such Ancillary Outstandings can be repaid in full by way of Revolving Facility Utilisation and not less than five Business Days' notice is given to the borrower of such Ancillary Facility before the Ancillary Outstandings become due.

- (d) If a Revolving Facility Utilisation is made to repay Ancillary Outstandings in full, the relevant Ancillary Commitment shall be reduced to zero.

#### 9.5 **Limitation on Ancillary Outstandings**

Each Borrower shall procure that:

- (a) the Ancillary Outstandings under any Ancillary Facility shall not exceed the Ancillary Commitment applicable to that Ancillary Facility; and
- (b) in relation to a Multi-account Overdraft:
  - (i) the Ancillary Outstandings shall not exceed the Designated Net Amount applicable to that Multi-account Overdraft; and
  - (ii) the Gross Outstandings shall not exceed the Designated Gross Amount applicable to that Multi-account Overdraft.

#### 9.6 **Information**

Each Borrower and each Ancillary Lender shall, promptly upon request by the Agent, supply the Agent with any information relating to the operation of an Ancillary Facility (including the Ancillary Outstandings) as the Agent may reasonably request from time to time. Each Borrower consents to all such information being released to the Agent and the other Finance Parties.

#### 9.7 **Affiliates of Lenders as Ancillary Lenders**

- (a) Subject to the terms of this Agreement, an Affiliate of a Lender may become an Ancillary Lender. In such case, the Lender and its Affiliate shall be treated as a single Lender whose Revolving Facility Commitment is the amount set out opposite the relevant Lender's name in Part II of Schedule 1 (*The Original Parties*) and/or the amount of any Revolving Facility Commitment transferred to or assumed by that Lender under this Agreement, to the extent (in each case) not cancelled, reduced or transferred by it under this Agreement.
- (b) The Company shall specify any relevant Affiliate of a Lender in any notice delivered by the Company to the Agent pursuant to paragraph (b)(i) of Clause 9.2 (*Availability*).
- (c) An Affiliate of a Lender which becomes an Ancillary Lender shall accede to the Intercreditor Agreement as an Ancillary Lender and any person which so accedes to the Intercreditor Agreement shall, at the same time, become a Party as an Ancillary Lender in accordance with clause 22.11 (*Creditor/Agent Accession Undertaking*) of the Intercreditor Agreement.
- (d) If a Lender assigns all of its rights and benefits or transfers all of its rights and obligations to a New Lender, its Affiliate shall cease to have any obligations under this Agreement or any Ancillary Document.
- (e) Where this Agreement or any other Finance Document imposes an obligation on an Ancillary Lender and the relevant Ancillary Lender is an Affiliate of a



Lender which is not a party to that document, the relevant Lender shall ensure that the obligation is performed by its Affiliate.

#### **9.8 Affiliates of Borrowers**

- (a) Subject to the terms of this Agreement, an Affiliate of a Borrower may with the approval of the relevant Lender become a borrower with respect to an Ancillary Facility.
- (b) The Company shall specify any relevant Affiliate of a Borrower in any notice delivered by the Company to the Agent pursuant to paragraph (b)(i) of Clause 9.2 (*Availability*).
- (c) If a Borrower ceases to be a Borrower under this Agreement in accordance with Clause 31.3 (*Resignation of a Borrower*), its Affiliate shall cease to have any rights under this Agreement or any Ancillary Document.
- (d) Where this Agreement or any other Finance Document imposes an obligation on a Borrower under an Ancillary Facility and the relevant Borrower is an Affiliate of a Borrower which is not a party to that document, the relevant Borrower shall ensure that the obligation is performed by its Affiliate.
- (e) Any reference in this Agreement or any other Finance Document to a Borrower being under no obligations (whether actual or contingent) as a Borrower under such Finance Document shall be construed to include a reference to any Affiliate of a Borrower being under no obligations under any Finance Document or Ancillary Document.

#### **9.9 Revolving Facility Commitment amounts**

Notwithstanding any other term of this Agreement, each Lender shall ensure that at all times its Revolving Facility Commitment is not less than:

- (a) its Ancillary Commitment; or
- (b) the Ancillary Commitment of its Affiliate.

#### **9.10 Amendments and Waivers – Ancillary Facilities**

No amendment or waiver of a term of any Ancillary Facility shall require the consent of any Finance Party other than the relevant Ancillary Lender unless such amendment or waiver itself relates to or gives rise to a matter which would require an amendment of or under this Agreement (including, for the avoidance of doubt, under this Clause 9). In such a case, Clause 41 (*Amendments and Waivers*) will apply.

## SECTION 4

### REPAYMENT, PREPAYMENT AND CANCELLATION

#### 10. REPAYMENT

##### 10.1 Repayment of Term Loans

- (a) The Company shall repay the aggregate Facility A Loans in instalments by repaying on each Facility A Repayment Date an amount which reduces the Base Currency Amount of the outstanding aggregate Facility A Loans to the percentage of the Total Facility A Commitments as at the date of this Agreement, as set out in the table below:

Facility A Repayment Date	Percentage of Total Facility A Commitments as at the date of this Agreement left outstanding
On the first anniversary of the date of this Agreement	97.75 per cent.
On the date falling six months after the first anniversary of the date of this Agreement	95.50 per cent.
On the second anniversary of the date of this Agreement	91.25 per cent.
On the date falling six months after the second anniversary of the date of this Facilities Agreement	87.00 per cent.
On the third anniversary of the date of this Agreement	79.75 per cent.
On the date falling six months after the third anniversary of the date of this Agreement	72.50 per cent.
On the fourth anniversary of the date of this Agreement	58.50 per cent.
On the date falling six months after the fourth anniversary of the date of this Agreement	44.50 per cent.
On the Termination Date	Zero

- (b) If, in relation to a Facility A Repayment Date, the aggregate amount of the Facility A Loans exceeds the Repayment Instalment to be repaid on that Facility A Repayment Date, the Company may, if it gives the Agent not less than five Business Days' prior notice, select which of those Facility A Loans will be wholly or partially repaid so that the Facility A Repayment Instalment

is repaid on the relevant Repayment Date in full. The Company may not make a selection if as a result more than one Facility A Loan will be partially repaid.

- (c) The Borrowers under Facility B shall repay the aggregate Facility B Loans in full on the Termination Date.
- (d) If the Company fails to deliver a notice to the Agent in accordance with paragraph (b) above, the Agent shall select the Facility A Loans to be wholly or partially repaid.
- (e) The Borrowers may not reborrow any part of a Term Facility which is repaid.

## 10.2 Repayment of Revolving Facility Loans

- (a) Subject to paragraph (c) below, each Borrower which has drawn a Revolving Facility Loan shall repay that Loan on the last day of its Interest Period.
- (b) Without prejudice to each Borrower's obligation under paragraph (a) above, if
  - (i) one or more Revolving Facility Loans are to be made available to a Borrower:
    - (A) on the same day that a maturing Revolving Facility Loan is due to be repaid by that Borrower;
    - (B) in the same currency as the maturing Revolving Facility Loan (unless it arose as a result of the operation of Clause 8.2 (*Unavailability of a currency*)); and
    - (C) in whole or in part for the purpose of refinancing the maturing Revolving Facility Loan; and
  - (ii) the proportion borne by each Lender's participation in the maturing Revolving Facility Loan to the amount of that maturing Revolving Facility Loan is the same as the proportion borne by that Lender's participation in the new Revolving Facility Loans to the aggregate amount of those new Revolving Facility Loans,

the aggregate amount of the new Revolving Facility Loans shall, unless the relevant Borrower or the Company notifies the Agent to the contrary in the relevant Utilisation Request, be treated as if applied in or towards repayment of the maturing Revolving Facility Loan so that:

- (A) if the amount of the maturing Revolving Facility Loan exceeds the aggregate amount of the new Revolving Facility Loans:
  - (1) the relevant Borrower will only be required to make a payment under Clause 35.1 (*Payments to the Agent*) in an amount in the relevant currency equal to that excess; and

- (2) each Lender's participation in the new Revolving Facility Loans shall be treated as having been made available and applied by the Borrower in or towards repayment of that Lender's participation in the maturing Revolving Facility Loan and that Lender will not be required to make a payment under Clause 35.1 (*Payments to the Agent*) in respect of its participation in the new Revolving Facility Loans; and
- (B) if the amount of the maturing Revolving Facility Loan is equal to or less than the aggregate amount of the new Revolving Facility Loans:
  - (1) the relevant Borrower will not be required to make a payment under Clause 35.1 (*Payments to the Agent*); and
  - (2) each Lender will be required to make a payment under Clause 35.1 (*Payments to the Agent*) in respect of its participation in the new Revolving Facility Loans only to the extent that its participation in the new Revolving Facility Loans exceeds that Lender's participation in the maturing Revolving Facility Loan and the remainder of that Lender's participation in the new Revolving Facility Loans shall be treated as having been made available and applied by the Borrower in or towards repayment of that Lender's participation in the maturing Revolving Facility Loan.

### 10.3 Effect of cancellation and prepayment on scheduled repayments and reductions

- (a) If the Company cancels the whole or any part of any Available Commitment in accordance with Clause 11.6 (*Right of cancellation and repayment in relation to a single Lender or Issuing Bank*) or Clause 11.7 (*Right of cancellation in relation to a Defaulting Lender*) or if the Available Commitment of any Lender is cancelled under Clause 11.1 (*Illegality*) then (other than, in any relevant case, to the extent that any part of the relevant Available Commitment(s) so cancelled is subsequently increased pursuant to Clause 2.3 (*Increase*)) in the case of the Facility A Commitments, the amount of the Repayment Instalment for each Repayment Date falling after that cancellation will reduce *pro rata* by the amount cancelled.
- (b) If the Company cancels the whole or any part of any Available Commitment in accordance with Clause 11.3 (*Voluntary cancellation*) or if the whole or part of any Commitment is cancelled pursuant to Clause 5.6 (*Cancellation of Commitment*) then in the case of the Facility A Commitments, the amount of the Repayment Instalment for each Repayment Date falling after that cancellation will reduce *pro rata* by the amount cancelled.
- (c) If any Facility A Loan is repaid or prepaid in accordance with Clause 11.6 (*Right of cancellation and repayment in relation to a single Lender or Issuing*

*Bank*) or Clause 11.1 (*Illegality*), then other than to the extent that any part of the relevant Commitment is subsequently increased pursuant to Clause 2.3 (*Increase*), the amount of the Repayment Instalments for each Repayment Date falling after that repayment or prepayment will reduce *pro rata* by the amount of the Facility A Loan repaid or prepaid.

- (d) If any Facility A Loan is prepaid in accordance with Clause 11.4 (*Voluntary prepayment of Term Loans*), then the amount of the Repayment Instalment for each Repayment Date falling after that prepayment shall reduce in such order as the Company may elect by the amount of the Facility A Loan prepaid.
- (e) If any Facility A Loan is prepaid in accordance with Clause 12.2 (*Disposal and Insurance Proceeds*) the amount of the Repayment Instalment for each Repayment Date falling after that prepayment will reduce in chronological order by the amount of the Facility A Loan prepaid.

## **11. ILLEGALITY, VOLUNTARY PREPAYMENT AND CANCELLATION**

### **11.1 Illegality**

If it becomes unlawful in any applicable jurisdiction for a Lender to perform any of its obligations as contemplated by this Agreement or to fund, issue or maintain its participation in any Utilisation or it becomes unlawful for any Affiliate of a Lender which is an Ancillary Lender to do so:

- (a) that Lender shall promptly notify the Agent upon becoming aware of that event;
- (b) upon the Agent notifying the Company, each Available Commitment of that Lender will be immediately cancelled; and
- (c) to the extent that the Lender's participation has not been transferred pursuant to Clause 41.8 (*Replacement of Lender*), each Borrower shall repay that Lender's participation in the Utilisations made to that Borrower on the last day of the Interest Period for each Utilisation occurring after the Agent has notified the Company or, if earlier, the date specified by the Lender in the notice delivered to the Agent (being no earlier than the last day of any applicable grace period permitted by law) and that Lender's corresponding Commitment(s) shall be cancelled in the amount of the participations repaid.

### **11.2 Illegality in relation to Issuing Bank**

If it becomes unlawful for an Issuing Bank to issue or leave outstanding any Letter of Credit or it becomes unlawful for any Affiliate of an Issuing Bank for that Issuing Bank to do so then:

- (a) that Issuing Bank shall promptly notify the Agent upon becoming aware of that event;
- (b) upon the Agent notifying the Company, the Issuing Bank shall not be obliged to issue any Letter of Credit;

- (c) the Company shall procure that the relevant Borrower shall use its best endeavours to procure the release of each Letter of Credit issued by that Issuing Bank and outstanding at such time; and
- (d) unless any other Lender is or has become an Issuing Bank pursuant to the terms of this Agreement, the Revolving Facility shall cease to be available for the issue of Letters of Credit.

### 11.3 Voluntary cancellation

The Company may, if it gives the Agent not less than three Business Days' (or such shorter period as the Majority Lenders may agree) prior notice, cancel the whole or any part (being a minimum amount of EUR 5,000,000) of an Available Facility. Any cancellation under this Clause 11.3 shall reduce the Commitments of the Lenders rateably under that Facility.

### 11.4 Voluntary prepayment of Term Loans

- (a) A Borrower to which a Term Loan has been made may, if it or the Company gives the Agent not less than three Business Days' (or such shorter period as the Majority Lenders may agree) prior notice, prepay the whole or any part of that Term Loan (but, if in part, being an amount that reduces the Base Currency Amount of that Term Loan by a minimum amount of EUR 5,000,000).
- (b) A Term Loan may only be prepaid after the last day of the Availability Period for the applicable Facility (or, if earlier, the day on which the applicable Available Facility is zero).

### 11.5 Voluntary prepayment of Revolving Facility Utilisations

A Borrower to which a Revolving Facility Utilisation has been made may, if it or the Company gives the Agent not less than three Business Days' (or such shorter period as the Majority Lenders may agree) prior notice, prepay the whole or any part of a Revolving Facility Utilisation (but if in part, being an amount that reduces the Base Currency Amount of the Revolving Facility Utilisation by a minimum amount of EUR 5,000,000).

### 11.6 Right of cancellation and repayment in relation to a single Lender or Issuing Bank

- (a) If:
  - (i) any sum payable to any Lender by an Obligor is required to be increased under paragraph (c) of Clause 18.2 (*Tax gross-up*);
  - (ii) any Lender or Issuing Bank claims indemnification from the Company or an Obligor under Clause 18.3 (*Tax indemnity*) or Clause 19.1 (*Increased costs*); or
  - (iii) any Lender invokes Clause 16.2 (*Market Disruption*),



the Company may, whilst the circumstance giving rise to the requirement for that increase, indemnification or invocation continues, give the Agent notice:

- (A) (if such circumstances relate to a Lender) of cancellation of the Commitment(s) of that Lender and its intention to procure the repayment of that Lender's participation in the Utilisations; or
  - (B) (if such circumstances relate to the Issuing Bank) of repayment of any outstanding Letter of Credit issued by it and cancellation of its appointment as an Issuing Bank under this Agreement in relation to any Letters of Credit to be issued in the future.
- (b) On receipt of a notice referred to in paragraph (a) above in relation to a Lender, the Commitment(s) of that Lender shall immediately be reduced to zero.
  - (c) On the last day of each Interest Period which ends after the Company has given notice under paragraph (a) above in relation to a Lender (or, if earlier, the date specified by the Company in that notice), each Borrower to which a Utilisation is outstanding shall repay that Lender's participation in that Utilisation together with all interest and other amounts accrued under the Finance Documents.

#### **11.7 Right of cancellation in relation to a Defaulting Lender**

- (a) If any Lender becomes a Defaulting Lender, the Company may, at any time whilst the Lender continues to be a Defaulting Lender, give the Agent three Business Days' notice of cancellation of each Available Commitment of that Lender.
- (b) On the notice referred to in paragraph (a) above becoming effective, each Available Commitment of the Defaulting Lender shall immediately be reduced to zero.
- (c) The Agent shall as soon as practicable after receipt of a notice referred to in paragraph (a) above, notify all the Lenders.

### **12. MANDATORY PREPAYMENT AND CANCELLATION**

#### **12.1 Exit**

- (a) For the purpose of this Clause 12.1:

**"Flotation"** means an initial listing of the share capital (or any part thereof) of any member of the Group on the London Stock Exchange or any other recognised market for holding securities in any jurisdiction or any sale or issuance of the shares of any member of the Group by way of rights issue, public placement or other public offering.

**"Flotation Proceeds"** means the Net Proceeds of a Flotation received by any member of the Group.

- (b) Upon the occurrence of a Change of Control:
  - (i) the Company shall promptly notify the Agent upon becoming aware of that event;
  - (ii) the Company shall consult with the Lenders for a period of 30 days from the date of receipt of the notice referred to in (i) above (the "**Consultation Period**");
  - (iii) on the last day of the Consultation Period, each Lender shall be entitled to request (by notice to the Agent) that the Company repays (or procures the repayment of) that Lender's participation in all outstanding Utilisations, and that all Commitments of that Lender are cancelled;
  - (iv) the Agent shall promptly notify the Company of all notices received pursuant to paragraph (iii) above, and five Business Days after such notification the Company shall repay each such Lender's participation in all Utilisations together with all interest and other amounts accrued under the Finance Documents owing to such Lender and all Commitments of that Lender shall be cancelled.
- (c) Upon the occurrence of the sale of all or substantially all of the assets of the Group to a third party whether in a single transaction or a series of related transactions, the Facilities will be cancelled and all outstanding Utilisations and Ancillary Outstandings, together with accrued interest, and all other amounts accrued under the Finance Documents, shall become immediately due and payable.
- (d) Upon the occurrence of a Flotation which does not result in a Change of Control:
  - (i) the Company shall promptly notify the Agent; and
  - (ii) the Company shall procure that up to 50 per cent. of the Flotation Proceeds are applied in accordance with Clause 12.3 (*Application of mandatory prepayments and cancellations*) until such point (the "**Leverage Point**") as the ratio of Net Financial Indebtedness calculated immediately after such application to Adjusted EBITDA for the period of 12 months ending on the Quarter Date immediately preceding the date on which such Flotation occurred does not exceed 1.5:1. Any Flotation Proceeds after such application may be retained by the member of the Group which received such proceeds and shall be available for the general corporate purposes of the Group.

## 12.2 Disposal and Insurance Proceeds

- (a) For the purposes of this Clause 12.2 and Clause 12.3 (*Application of mandatory prepayments and cancellations*):

"**Disposal**" means a sale, lease, licence, transfer, loan or other disposal by a member of the Group of any asset, undertaking or business (whether by a

voluntary or involuntary single transaction or series of transactions) to a person which is not a member of the Group.

**"Disposal Proceeds"** means the Net Proceeds received by any member of the Group (including any amount received in repayment of intercompany debt) for any Disposal made by any member of the Group except for Excluded Disposal Proceeds.

**"Excluded Disposal Proceeds"** means:

- (i) the proceeds of any disposal under paragraphs (a), (b), (c), (d), (e), (g) or (m) of the definition of Permitted Disposal;
- (ii) the proceeds of any Disposal which are (or are contracted to be) reinvested in assets to be used in the business of the Group within 365 days of receipt of such proceeds;
- (ii) the proceeds of any Disposal where the proceeds from that Disposal or series of related Disposals are less than or equal to EUR 3,000,000 (or its currency equivalent); or
- (iv) the proceeds of any Disposal to the extent that they are equal to or less than five per cent. of the total consolidated gross assets of the Group as determined by reference to the latest consolidated financial statements of the Company delivered pursuant to Clause 25.1 (*Financial statements*) in aggregate since the date of this Agreement.

**"Excluded Insurance Proceeds"** means any proceeds of an insurance claim which the Company notifies the Agent are, or are to be, applied:

- (i) to meet a third party claim;
- (ii) to cover operating losses in respect of which the relevant insurance claim was made; or
- (iii) in the replacement, reinstatement and/or repair of the assets or otherwise in amelioration of the loss in respect of which the relevant insurance claim was made,

in each case as soon as possible (but in any event within 365 days, or such longer period as the Majority Lenders may agree) after receipt.

**"Insurance Proceeds"** means the Net Proceeds of any insurance claim under any insurance maintained by any member of the Group except for Excluded Insurance Proceeds but only to the extent the Net Proceeds of all insurance claims by the Group exceed EUR 50,000,000 in aggregate since the date of this Agreement.

- (b) The Company shall ensure that the Borrowers prepay Utilisations, and cancel Available Commitments, in amounts equal to the following amounts at the times and in the order of application contemplated by Clause 12.3 (*Application of mandatory prepayments and cancellations*):
  - (i) the amount of Disposal Proceeds; and
  - (ii) the amount of Insurance Proceeds.
- (c) Prepayment will not be required under this Clause 12.2 if:
  - (i) it is (and only for so long as it remains) illegal for a member of the Group to make such prepayment (or it is illegal for a member of the Group who received proceeds to distribute or lend the proceeds to another member of the Group for the purposes of such prepayment);
  - (ii) it will be (or there is a significant risk that it will be) a breach of the fiduciary or statutory duty of an officer of the relevant member of the Group to make a prepayment or a distribution to another member of the Group for the purposes of a prepayment; or
  - (iii) it gives rise to a material cost for a member of the Group making a prepayment or distribution to another member of the Group for the purposes of a prepayment (which in aggregate exceeds 5 per cent. of the relevant net proceeds).
- (d) The Company shall use its, and shall procure that each member of the Group will use its, reasonable endeavours to avoid or minimise illegality, breach of duty or cost referred to in paragraph (c) above and make such moneys available in a manner which is legally permissible and/or minimising or without incurring the costs of such prepayment, as appropriate. To the extent any of those restrictions are removed, any relevant proceeds will be applied in prepayment of the Facilities at the end of the next Interest Period.

### 12.3 Application of mandatory prepayments and cancellations

- (a) A prepayment of Utilisations or cancellation of Available Commitments made under paragraph (d) of Clause 12.1 (*Exit*) or Clause 12.2 (*Disposal and Insurance Proceeds*) shall be applied in the following order:
  - (i) first, in prepayment of Term Loans as contemplated in paragraphs (b) to (e) inclusive below;
  - (ii) secondly, in cancellation of Available Commitments under the Revolving Facility (and the Available Commitment of the Lenders under the Revolving Facility will be cancelled rateably);
  - (iii) thirdly, in prepayment of Revolving Facility Utilisations such that:
    - (A) outstanding Revolving Facility Loans shall be prepaid on a *pro rata* basis; and

- (B) outstanding Revolving Facility Loans shall be prepaid before outstanding Letters of Credit (which shall then be prepaid on a *pro rata* basis)),

and cancellation, in each case, of the corresponding Revolving Facility Commitments; and

- (iv) then, in:

- (A) repayment of the Ancillary Outstandings (and cancellation of corresponding Ancillary Commitments); and

- (B) cancellation of Ancillary Commitments,

(on a *pro rata* basis) and cancellation, in each case, of the corresponding Revolving Facility Commitments.

- (b) Unless the Company makes an election under paragraph (d) below, the Borrowers shall prepay Loans promptly upon receipt of such Flotation Proceeds, Disposal Proceeds or Insurance Proceeds.
- (c) A prepayment under paragraph (d) of Clause 12.1 (*Exit*) or Clause 12.2 (*Disposal and Insurance Proceeds*) shall prepay the Term Loans as follows:
  - (i) in prepayment of the Facility A Loans *pro rata* and, when all the Facility A Loans have been prepaid in full, in prepayment of any Facility B Loan; and
  - (ii) in respect of Facility A, in reducing the relevant Repayment Instalment for each Repayment Date falling after the date of prepayment in chronological order.
- (d) Subject to paragraph (e) below, the Company may, by giving the Agent not less than three Business Days' (or such shorter period as the Majority Lenders may agree) prior written notice, elect that any prepayment under Clause 12.2 (*Disposal and Insurance Proceeds*) be applied in prepayment of a Loan on the last day of the Interest Period relating to that Loan. If the Company makes that election then a proportion of the Loan equal to the amount of the relevant prepayment will be due and payable on the last day of its Interest Period.
- (e) If the Company has made an election under paragraph (d) above but an Event of Default has occurred and is continuing, that election shall no longer apply and a proportion of the Loan in respect of which the election was made equal to the amount of the relevant prepayment shall be immediately due and payable (unless the Majority Lenders otherwise agree in writing).

### 13. RESTRICTIONS

#### 13.1 Notices of Cancellation or Prepayment

Any notice of cancellation, prepayment, authorisation or other election given by any Party under Clause 11 (*Illegality, Voluntary Prepayment and Cancellation*),

paragraph (d) of Clause 12.3 (*Application of mandatory prepayments and cancellations*) shall (subject to the terms of those Clauses) be irrevocable and, unless a contrary indication appears in this Agreement, shall specify the date or dates upon which the relevant cancellation or prepayment is to be made and the amount of that cancellation or prepayment.

### **13.2 Interest and other amounts**

Any prepayment under this Agreement shall be made together with accrued interest on the amount prepaid and, subject to any Break Costs, without premium or penalty.

### **13.3 No reborrowing of Term Facilities**

No Borrower may reborrow any part of a Term Facility which is prepaid.

### **13.4 Reborrowing of Revolving Facility**

Unless a contrary indication appears in this Agreement, any part of the Revolving Facility which is prepaid or repaid may be reborrowed in accordance with the terms of this Agreement.

### **13.5 Prepayment in accordance with Agreement**

No Borrower shall repay or prepay all or any part of the Utilisations or cancel all or any part of the Commitments except at the times and in the manner expressly provided for in this Agreement.

### **13.6 No reinstatement of Commitments**

Subject to Clause 2.3 (*Increase*), no amount of the Total Commitments cancelled under this Agreement may be subsequently reinstated.

### **13.7 Agent's receipt of Notices**

If the Agent receives a notice under Clause 11 (*Illegality, Voluntary Prepayment and Cancellation*) or an election under paragraph (d) of Clause 12.3 (*Application of mandatory prepayments and cancellations*), it shall promptly forward a copy of that notice or election to either the Company or the affected Lender, as appropriate.

### **13.8 Prepayment elections**

The Agent shall notify the Lenders as soon as possible of any proposed prepayment of any Facility B Loan under Clause 11.4 (*Voluntary prepayment of Term Loans*) or Clause 12.2 (*Disposal and Insurance Proceeds*). A Lender may, if it gives the Agent not less than three Business Days prior notice, elect to waive all or a specified part of its share of that prepayment of Facility B if the amount waived can be (and is) otherwise applied to reduce Facility A Loans or the participations of other Facility B Lenders in such Facility B Loan who do not exercise such right to decline.

### **13.9 Effect of repayment and prepayment on Commitments**

If all or part of any Lender's participation in a Utilisation under a Facility is repaid or prepaid and is not available for redrawing (other than by operation of Clause 4.2 (*Further conditions precedent*)), an amount of that Lender's Commitment (equal to the Base Currency Amount of the amount of the participation which is repaid or prepaid) in respect of that Facility will be deemed to be cancelled on the date of repayment or prepayment.

### **13.10 Application of prepayments**

Any prepayment of a Utilisation (other than a prepayment pursuant to Clause 11.1 (*Illegality*), Clause 11.6 (*Right of cancellation and repayment in relation to a single Lender or Issuing Bank*) and paragraph (b) of Clause 12.1 (*Exit*)) shall be applied *pro rata* to each Lender's participation in that Utilisation.



## **SECTION 5**

### **COSTS OF UTILISATION**

#### **14. INTEREST**

##### **14.1 Calculation of interest**

The rate of interest on each Loan for each Interest Period is the percentage rate per annum which is the aggregate of the applicable:

- (a) Margin; and
- (b) LIBOR or, in relation to any Loan in euro, EURIBOR.

##### **14.2 Payment of interest**

- (a) The Borrower to which a Loan has been made shall pay accrued interest on that Loan on the last day of each Interest Period (and, if the Interest Period is longer than six Months, on the dates falling at six Monthly intervals after the first day of the Interest Period).
- (b) If the Compliance Certificate received by the Agent which relates to the relevant Annual Financial Statements shows:
  - (i) that a higher Margin should have applied during a certain period, then the Company shall (or shall ensure the relevant Borrower shall) promptly pay to the Agent any amounts necessary to put the Agent and the Lenders in the position they would have been in had the appropriate rate of the Margin applied during such period; or
  - (ii) that a lower Margin should have applied during a certain period, then the amount of interest due on the next interest payment date shall be reduced by the amount necessary to put the Borrowers in the position they would have been in had the appropriate rate of Margin applied during such period,

**provided that** any such reduction or increase shall only apply to the extent that any Lender which received the underpayment or overpayment of interest remains a Lender at the date of such adjustment.

##### **14.3 Default interest**

- (a) If an Obligor fails to pay any amount payable by it under a Finance Document on its due date, interest shall accrue on the overdue amount from the due date up to the date of actual payment (both before and after judgment) at a rate which, subject to paragraph (b) below, is one per cent. per annum higher than the rate which would have been payable if the overdue amount had, during the period of non-payment, constituted a Loan in the currency of the overdue amount for successive Interest Periods, each of a duration selected by the Agent (acting reasonably). Any interest accruing under this Clause 14.3 shall be immediately payable by the Obligor on demand by the Agent.

- (b) If any overdue amount consists of all or part of a Loan which became due on a day which was not the last day of an Interest Period relating to that Loan:
  - (i) the first Interest Period for that overdue amount shall have a duration equal to the unexpired portion of the current Interest Period relating to that Loan; and
  - (ii) the rate of interest applying to the overdue amount during that first Interest Period shall be one per cent. per annum higher than the rate which would have applied if the overdue amount had not become due.
- (c) Default interest (if unpaid) arising on an overdue amount will be compounded with the overdue amount at the end of each Interest Period applicable to that overdue amount but will remain immediately due and payable.

#### **14.4 Notification of rates of interest**

The Agent shall promptly notify the Lenders and the relevant Borrower (or the Company) of the determination of a rate of interest under this Agreement.

### **15. INTEREST PERIODS**

#### **15.1 Selection of Interest Periods and Terms**

- (a) A Borrower (or the Company on behalf of a Borrower) may select an Interest Period for a Loan in the Utilisation Request for that Loan or (if the Loan is a Term Loan and has already been borrowed) in a Selection Notice.
- (b) Each Selection Notice for a Term Loan is irrevocable and must be delivered to the Agent by the Borrower (or the Company on behalf of the Borrower) to which that Term Loan was made not later than the Specified Time.
- (c) If a Borrower (or the Company) fails to deliver a Selection Notice to the Agent in accordance with paragraph (b) above, the relevant Interest Period will, subject to Clause 15.2 (*Changes to Interest Periods*), be one Month.
- (d) Subject to this Clause 15, a Borrower (or the Company) may select an Interest Period of one, two, three or six Months or any other period agreed between the relevant Borrower (or the Company) and the Agent (acting on the instructions of all the Lenders having a participation in the relevant Loan). In addition the Company may select an Interest Period in relation to Facility A of a period of less than one Month, if necessary to ensure that there are Facility A Loans (with an aggregate Base Currency Amount equal to or greater than the Repayment Instalment) which have an Interest Period ending on a Repayment Date relating to Facility A for the Company to make the Repayment Instalment due on that date.
- (e) An Interest Period for a Loan shall not extend beyond the Termination Date applicable to its Facility.
- (f) Each Interest Period for a Term Loan shall start on the Utilisation Date or (if already made) on the last day of its preceding Interest Period.

- (g) A Revolving Facility Loan has one Interest Period only.

## **15.2 Changes to Interest Periods**

Prior to determining the interest rate for a Facility A Loan, the Agent may shorten an Interest Period for any Facility A Loan to ensure there are sufficient Facility A Loans (with an aggregate Base Currency Amount equal to or greater than the relevant Repayment Instalment) which have an Interest Period ending on a Facility A Repayment Date for the Company to make the relevant Repayment Instalment due on that date. If the Agent makes any such change, it shall promptly notify the Company and the Lenders.

## **15.3 Non-Business Days**

If an Interest Period would otherwise end on a day which is not a Business Day, that Interest Period will instead end on the next Business Day in that calendar month (if there is one) or the preceding Business Day (if there is not).

## **15.4 Division of Facility B Loans**

Subject to Clause 5.3 (*Currency and amount*) if a Borrower (or the Company on its behalf) requests in a Selection Notice that a Facility B Loan be divided into two Facility B Loans for the purpose of accommodating a prepayment, that Facility B Loan will, on the last day of its Interest Period, be so divided with Base Currency Amounts specified in that Selection Notice, having an aggregate Base Currency Amount equal to the Base Currency Amount of the Facility B Loan immediately before its division.

# **16. CHANGES TO THE CALCULATION OF INTEREST**

## **16.1 Absence of quotations**

Subject to Clause 16.2 (*Market disruption*) if LIBOR or, if applicable, EURIBOR is to be determined by reference to the Base Reference Banks but a Base Reference Bank does not supply a quotation by the Specified Time on the Quotation Day, the applicable LIBOR or EURIBOR shall be determined on the basis of the quotations of the remaining Base Reference Banks.

## **16.2 Market disruption**

- (a) If a Market Disruption Event occurs in relation to a Loan for any Interest Period, then the rate of interest on each Lender's share of that Loan for the Interest Period shall be the percentage rate per annum which is the sum of:

- (i) the Margin; and
- (ii) the rate notified to the Agent by that Lender as soon as practicable and in any event by close of business on the date falling five Business Days after the Quotation Day (or, if earlier, on the date falling five Business Days prior to the date on which interest is due to be paid in respect of that Interest Period), to be that which expresses as a percentage rate per

annum the cost to that Lender of funding its participation in that Loan from whatever source it may reasonably select.

- (b) If:
  - (i) the percentage rate per annum notified by a Lender pursuant to paragraph (a)(ii) above is less than LIBOR or, in relation to any Loan in euro, EURIBOR; or
  - (ii) a Lender has not notified the Agent of a percentage rate per annum pursuant to paragraph (a)(ii) above,

the cost to that Lender of funding its participation in that Loan for that Interest Period shall be deemed, for the purposes of paragraph (a) above, to be LIBOR or, in relation to a loan in euro, EURIBOR.

- (c) If a Market Disruption Event occurs the Agent shall, as soon as is practicable, notify the Company.
- (d) In this Agreement:

**"Market Disruption Event"** means:

- (i) at or about noon on the Quotation Day for the relevant Interest Period the Screen Rate is not available and none or only one of the Base Reference Banks supplies a rate to the Agent to determine LIBOR or, if applicable, EURIBOR for the relevant currency and Interest Period; or
- (ii) before close of business in London on the Quotation Day for the relevant Interest Period, the Agent receives notifications from a Lender or Lenders (whose participations in a Loan exceed 50 per cent. of that Loan) that the cost to it of funding its participation in that Loan from whatever source it may reasonably select would be in excess of LIBOR or, if applicable, EURIBOR.

### 16.3 **Alternative basis of interest or funding**

- (a) If a Market Disruption Event occurs and the Agent or the Company so requires, the Agent and the Company shall enter into negotiations (for a period of not more than thirty days) with a view to agreeing a substitute basis for determining the rate of interest.
- (b) Any alternative basis agreed pursuant to paragraph (a) above shall, with the prior consent of all the Lenders and the Company, be binding on all Parties.

### 16.4 **Break Costs**

- (a) Each Borrower shall, within three Business Days of demand by a Finance Party, pay to that Finance Party its Break Costs attributable to all or any part of a Loan or Unpaid Sum being paid by that Borrower on a day other than the last day of an Interest Period for that Loan or Unpaid Sum.

- (b) Each Lender shall, as soon as reasonably practicable after a demand by the Agent, provide a certificate confirming the amount of its Break Costs for any Interest Period in which they accrue.

## **17. FEES**

### **17.1 Commitment fee**

- (a) The Company shall pay to the Agent (for the account of each Lender) a fee in the Base Currency computed at the rate of 40 per cent. of the applicable Margin in respect of a Revolving Facility Loan on that Lender's Available Commitment under the Revolving Facility from the Closing Date to the end of the Availability Period applicable to the Revolving Facility.
- (b) The accrued commitment fee is payable on the last day of each successive period of three Months which ends during the relevant Availability Period, on the last day of the relevant Availability Period and (after the Closing Date) on the cancelled amount of the relevant Lender's Commitment at the time the cancellation is effective.
- (c) No commitment fee is payable to the Agent (for the account of a Lender) on any Available Commitment of that Lender for any day on which that Lender is a Defaulting Lender.

### **17.2 Arrangement and structuring fee**

The Company shall pay to the Lenders party to this Agreement on the Closing Date an arrangement and structuring fee in the amount and at the times agreed in a Fee Letter.

### **17.3 Agency fee**

The Company shall pay to the Agent (for its own account) an agency fee in the amount and at the times agreed in a Fee Letter.

### **17.4 Security Agent fee**

The Company shall pay to the Security Agent (for its own account) a security agent fee in the amount and at the times agreed in a Fee Letter.

### **17.5 Fees payable in respect of Letters of Credit**

- (a) Each Borrower shall pay to the Issuing Bank a fronting fee at the rate of 0.125 per cent. per annum on the outstanding amount which is counter-indemnified by the other Lenders of each Letter of Credit requested by it for the period from the issue of that Letter of Credit until its Expiry Date.
- (b) Each Borrower shall pay to the Agent (for the account of each Lender) a Letter of Credit fee in the Base Currency (computed at the rate equal to the Margin applicable to a Revolving Facility Loan) on the outstanding amount of each Letter of Credit requested by it for the period from the issue of that Letter of Credit until its Expiry Date. Subject to paragraph (c) of Clause 7.6

*(Regulation and consequences of cash cover provided by Borrower)*, this fee shall be distributed according to each Lender's L/C Proportion of that Letter of Credit.

- (c) The accrued fronting fee and Letter of Credit fee on a Letter of Credit shall be payable on the last day of each successive period of three Months (or such shorter period as shall end on the Expiry Date for that Letter of Credit) starting on the date of issue of that Letter of Credit.
- (d) If the Company or a Borrower provides cash cover in respect of any Letter of Credit:
  - (i) the fronting fee payable to the Issuing Bank and (subject to paragraph (c) of Clause 7.6 *(Regulation and consequences of cash cover provided by Borrower)*), the Letter of Credit fee payable for the account of each Lender shall cease to be payable in respect of the portion cash covered; and
  - (ii) the Company shall be entitled to withdraw interest on the cash cover.
- (e) The Company shall pay to the Issuing Bank (for its own account) an issuance/administration fee in the amount and at the times specified in a Fee Letter, if any.

#### **17.6 Interest, commission and fees on Ancillary Facilities**

The rate and time of payment of interest, commission, fees and any other remuneration in respect of each Ancillary Facility shall be determined by agreement between the relevant Ancillary Lender and the Borrower of that Ancillary Facility based upon normal market rates and terms.

## SECTION 6 ADDITIONAL PAYMENT OBLIGATIONS

### 18. TAX GROSS-UP AND INDEMNITIES

#### 18.1 Definitions

In this Agreement:

**"EU Lender"** means a Lender which is resident for tax purposes in a member state of the European Union (other than Spain) or a permanent establishment of such European Union resident located in another member state of the European Union (other than Spain), **provided that** (i) such Lender is not a resident of, or is not acting through, a territory considered as a tax haven pursuant to Royal Decree 1080/1991, of 5 July (as amended by Royal Decree 116/2003, of 31 January, and as it may be further amended or replaced from time to time) and (ii) such Lender does not act through a permanent establishment in Spain or in a jurisdiction that is not a member state of the European Union with which that Lender's participation in the Loan is effectively connected, and in each case, if the relevant tax authority requires the Lender to be beneficially entitled to the interest income in order for such interest to be paid without a Tax Deduction, it is so entitled.

**"Luxembourg Qualifying Lender"** means with respect to a Luxembourg Obligor a Lender which is beneficially entitled to interest payable in respect of an advance under a Finance Document and is neither an individual, nor a residual entity, each as defined under the Luxembourg laws of 21 June 2005 implementing the Council Directive 2003/48/EC of 3 June 2003 on taxation of savings income in the form of interest payments (or any amendments thereof) and ratifying the treaties entered into by Luxembourg and certain dependent and associated territories of EU Member States, or the Luxembourg law of 23 December 2005, as amended.

**"Protected Party"** means a Finance Party which is or will be subject to any liability or required to make any payment for or on account of Tax in relation to a sum received or receivable (or any sum deemed for the purposes of Tax to be received or receivable) under a Finance Document.

**"Qualifying Lender"** means with respect to a Spanish Obligor, a Lender which is beneficially entitled to the interest payable to that Lender in respect of an advance under a Finance Document and is:

- (a) a Spanish credit entity or financial credit establishment registered with the Bank of Spain to which the provisions set out in the first paragraph of section (c) of Article 59 of Spanish Royal Decree 1777/2004 of 30 July 2004 apply; or
- (b) a Spanish permanent establishment of a non-Spanish financial institution to which the provisions set out in the second paragraph of Article 8.1 of Spanish Royal Decree 1776/2004 of 30 July 2004 apply, and **provided that** the income derived from the interest paid by the Spanish Obligor is effectively connected to such Spanish permanent establishment; or



- (c) a resident for tax purposes in a member state of the European Union (other than Spain) not acting for the purposes of this contract through a permanent establishment in Spain or being a permanent establishment of such European Union resident located in another member state of the European Union (other than Spain), **provided that** they are not acting through a territory considered a tax haven (as defined in the Spanish tax regulations) and **provided that** the income derived from the interest paid by the Spanish Obligor is effectively connected to such European Union resident or European Union permanent establishment; or
- (d) a Treaty Lender; or
- (e) resident for tax purposes in Spain, or is a non-resident acting through a permanent establishment located within Spanish territory.

**"Tax Credit"** means a credit against, relief or remission for, or repayment of, any Tax.

**"Tax Deduction"** means a deduction or withholding for or on account of Tax from a payment under a Finance Document, other than a FATCA Deduction.

**"Tax Payment"** means either the increase in a payment made by an Obligor to a Finance Party under Clause 18.2 (*Tax gross-up*) or a payment under Clause 18.3 (*Tax indemnity*).

**"Treaty Lender"** means a Lender which:

- (a) is treated as a resident of a Treaty State for the purposes of the Treaty; and
- (b) does not carry on a business in Spain through a permanent establishment with which that Lender's participation in the Loan is effectively connected.

**"Treaty State"** means a jurisdiction having a double taxation agreement (a **"Treaty"**) with Spain that is in force and which provisions are applicable which makes provision for full exemption from tax imposed by Spain on interest **provided that** such provisions granting full exemption from tax imposed by Spain on interest are applicable to the Lender.

Unless a contrary indication appears, in this Clause 18 a reference to **"determines"** or **"determined"** means a determination made in the absolute discretion of the person making the determination.

## 18.2 Tax gross-up

- (a) Each Obligor shall make all payments to be made by it without any Tax Deduction, unless a Tax Deduction is required by law.
- (b) The Company shall promptly upon becoming aware that an Obligor must make a Tax Deduction (or that there is any change in the rate or the basis of a Tax Deduction) notify the Agent accordingly. Similarly, a Lender or Issuing Bank shall notify the Agent on becoming so aware in respect of a payment

payable to that Lender or Issuing Bank. If the Agent receives such notification from a Lender or Issuing Bank it shall notify the Company and that Obligor.

- (c) If a Tax Deduction is required by law to be made by an Obligor, the amount of the payment due from that Obligor shall be increased to an amount which (after making any Tax Deduction) leaves an amount equal to the payment which would have been due if no Tax Deduction had been required.
- (d) A payment shall not be increased under paragraph (c) above by reason of a Tax Deduction on account of Tax imposed by Spain or Luxembourg, if on the date on which the payment falls due:
  - (i) the payment could have been made to the relevant Lender without a Tax Deduction if the Lender had been a Qualifying Lender or a Luxembourg Qualifying Lender (respectively), but on that date that Lender is not or has ceased to be a Qualifying Lender or a Luxembourg Qualifying Lender (respectively) other than as a result of any change after the date it became a Lender under this Agreement in (or in the interpretation, administration, or application of) any law or Treaty or any published practice or published concession of any relevant taxing authority; or
  - (ii) the relevant Lender is an EU Lender and it has not complied with its obligations under paragraph (g) below; or
  - (iii) the relevant Lender is a Treaty Lender and it has not complied with its obligations under paragraph (g) below.
- (e) If an Obligor is required to make a Tax Deduction, that Obligor shall make that Tax Deduction and any payment required in connection with that Tax Deduction within the time allowed and in the minimum amount required by law.
- (f) Within thirty days of making either a Tax Deduction or any payment required in connection with that Tax Deduction, the Obligor making that Tax Deduction shall deliver to the Agent for the Finance Party entitled to the payment evidence reasonably satisfactory to that Finance Party that the Tax Deduction has been made or (as applicable) any appropriate payment paid to the relevant taxing authority.
- (g) A Lender which is either an EU Lender or a Treaty Lender shall, as soon as reasonably practicable after the date on which it becomes a Party to this Agreement, but before the earlier of any payment becoming due and any payment being made, deliver to the Borrower a valid certificate of tax residence duly issued by the competent tax authority of its country of residence evidencing such Lender as resident for tax purposes in that country or, as the case may be, the equivalent document regulated in the relevant order which further develops the applicable Treaty, evidencing that such Lender is resident for tax purposes in the relevant Treaty State, within the meaning of such Treaty. Each such Lender shall be required to deliver a new certificate of

tax residence upon expiry of the existing certificate in accordance with applicable Spanish or Luxembourg tax law.

- (h) An EU Lender or a Treaty Lender and each Obligor which makes or is required to make a payment to which that EU Lender or Treaty Lender is entitled shall promptly co-operate in completing any procedural formalities necessary for that Obligor to obtain authorisation to make that payment without a Tax Deduction.

### 18.3 Tax indemnity

- (a) The Company shall (within three Business Days of demand by the Agent) pay to a Protected Party an amount equal to the loss, liability or cost which that Protected Party determines will be or has been (directly or indirectly) suffered for or on account of Tax by that Protected Party in respect of a Finance Document.
- (b) Paragraph (a) above shall not apply:
  - (i) with respect to any Tax assessed on a Finance Party:
    - (A) under the law of the jurisdiction in which that Finance Party is incorporated or, if different, the jurisdiction (or jurisdictions) in which that Finance Party is treated as resident for tax purposes;  
or
    - (B) under the law of the jurisdiction in which that Finance Party's Facility Office is located in respect of amounts received or receivable in that jurisdiction,  
  
if that Tax is imposed on or calculated by reference to the net income received or receivable (but not any sum deemed to be received or receivable) by that Finance Party; or
  - (ii) to the extent a loss, liability or cost:
    - (A) is compensated for by an increased payment under Clause 18.2 (*Tax gross-up*);
    - (B) would have been compensated for by an increased payment under Clause 18.2 (*Tax gross-up*) but was not so compensated solely because one of the exclusions in paragraph (d) of Clause 18.2 (*Tax gross-up*) applied;
    - (C) relates to a FATCA Deduction required to be made by a Party;  
or
    - (D) is suffered or incurred as a result of the Finance Party's failure to comply with Clause 18.5 (*Lender Status Confirmation*).

- (c) A Protected Party making, or intending to make a claim under paragraph (a) above shall promptly notify the Agent of the event which will give, or has given, rise to the claim, following which the Agent shall notify the Company.
- (d) A Protected Party shall, on receiving a payment from an Obligor under this Clause 18.3, notify the Agent.

#### **18.4 Tax Credit**

If an Obligor makes a Tax Payment and the relevant Finance Party determines that:

- (a) a Tax Credit is attributable to an increased payment of which that Tax Payment forms part, to that Tax Payment or to a Tax Deduction in consequence of which that Tax Payment was required; and
- (b) that Finance Party has obtained and utilised that Tax Credit,

the Finance Party shall pay an amount to the Obligor which that Finance Party determines will leave it (after that payment) in the same after-Tax position as it would have been in had the Tax Payment not been required to be made by the Obligor.

#### **18.5 Lender Status Confirmation**

Each Lender which becomes a Party to this Agreement after the date of this Agreement shall indicate, in the Transfer Certificate, Assignment Agreement, Increase Confirmation or Additional Lender Accession Letter which it executes on becoming a Party, and for the benefit of the Agent and without liability to any Obligor, which of the following categories it falls in:

- (a) not a Qualifying Lender;
- (b) not a Luxembourg Qualifying Lender;
- (c) a Qualifying Lender (other than an EU Lender or a Treaty Lender);
- (d) a Luxembourg Qualifying Lender; or
- (e) an EU Lender or a Treaty Lender.

If a New Lender, an Increase Lender or an Additional Lender fails to indicate its status in accordance with this Clause 18.5 then such New Lender, Increase Lender or Additional Lender shall be treated for the purposes of this Agreement (including by each Obligor) as if it is not a Qualifying Lender or a Luxembourg Qualifying Lender until such time as it notifies the Agent which categories apply (and the Agent, upon receipt of such notification, shall inform the Company). For the avoidance of doubt, a Transfer Certificate, Assignment Agreement, Increase Confirmation or Additional Lender Accession Letter shall not be invalidated by any failure of a Lender to comply with this Clause 18.5.

## 18.6 Stamp taxes

The Company shall pay and, within three Business Days of demand, indemnify each Finance Party against any cost, loss or liability each Finance Party incurs in relation to all stamp duty, registration and other similar Taxes payable in respect of, or in order to register or enforce, any Finance Document but excluding:

- (a) all stamp duty, registration and other similar Taxes payable in connection with the assignment or transfer of any Security created under the Finance Documents or with any transfer or assignment of any of its rights or obligations under the Finance Documents; or
- (b) with respect to any Luxembourg registration duties (*droits d'enregistrement*), payable in case of voluntary registration of the Finance Documents by a Finance Party with the *Administration de l'Enregistrement et des Domaines* in Luxembourg or registration of the Finance Documents in Luxembourg when such registration is not required to maintain, preserve, establish or enforce the rights of that Finance Party under the Finance Document.

## 18.7 VAT

- (a) All amounts expressed to be payable under a Finance Document by any Party to a Finance Party which (in whole or in part) constitute the consideration for any supply for VAT purposes are deemed to be exclusive of any VAT which is chargeable on that supply, and accordingly, subject to paragraph (b) below, if VAT is or becomes chargeable on any supply made by any Finance Party to any Party under a Finance Document and such Finance Party is required to account to the relevant tax authority for the VAT, that Party must pay to such Finance Party (in addition to and at the same time as paying any other consideration for such supply) an amount equal to the amount of the VAT (and such Finance Party must promptly provide an appropriate VAT invoice to that Party).
- (b) If VAT is or becomes chargeable on any supply made by any Finance Party (the "**Supplier**") to any other Finance Party (the "**Recipient**") under a Finance Document, and any Party other than the Recipient (the "**Relevant Party**") is required by the terms of any Finance Document to pay an amount equal to the consideration for that supply to the Supplier (rather than being required to reimburse or indemnify the Recipient in respect of that consideration);
  - (i) (where the Supplier is the person required to account to the relevant tax authority for the VAT) the Relevant Party must also pay to the Supplier (at the same time as paying that amount) an additional amount equal to the amount of the VAT. The Recipient must (where this paragraph (i) applies) promptly pay to the Relevant Party an amount equal to any credit or repayment the Recipient receives from the relevant tax authority which the Recipient reasonably determines relates to the VAT chargeable on that supply; and
  - (ii) (where the Recipient is the person required to account to the relevant tax authority for the VAT) the Relevant Party must promptly,

following demand from the Recipient, pay to the Recipient an amount equal to the VAT chargeable on that supply but only to the extent that the Recipient reasonably determines that it is not entitled to credit or repayment from the relevant tax authority in respect of that VAT.

- (c) Where a Finance Document requires any Party to reimburse or indemnify a Finance Party for any cost or expense, that Party shall reimburse or indemnify (as the case may be) such Finance Party for the full amount of such cost or expense, including such part thereof as represents VAT, save to the extent that such Finance Party reasonably determines that it is entitled to credit or repayment in respect of such VAT from the relevant tax authority.
- (d) Any reference in this Clause 18.7 to any Party shall, at any time when such Party is treated as a member of a group for VAT purposes, include (where appropriate and unless the context otherwise requires) a reference to the representative member of such group at such time (the term "representative member" shall (i) have the same meaning as in the Value Added Tax Act 37/1992, of December 28 with regard to Spain or (ii) where applicable, with regard to another jurisdiction refer to an equivalent provision under the relevant laws of such jurisdiction to that referred to in (i)).
- (e) In relation to any supply made by a Finance Party to any Party under a Finance Document, if reasonably requested by such Finance Party, that Party must promptly provide such Finance Party with details of that Party's VAT registration and such other information as is reasonably requested in connection with such Finance Party's VAT reporting requirements in relation to such supply.

#### **18.8 FATCA Information**

- (a) Subject to paragraph (c) below, each Party shall, within ten Business Days of a reasonable request by another Party:
  - (i) confirm to that other Party whether it is:
    - (A) a FATCA Exempt Party; or
    - (B) not a FATCA Exempt Party; and
  - (ii) supply to that other Party such forms, documentation and other information relating to its status under FATCA (including its applicable "passthru payment percentage" or other information required under the US Treasury Regulations or other official guidance including intergovernmental agreements) as that other Party reasonably requests for the purposes of that other Party's compliance with FATCA.
- (b) If a Party confirms to another Party pursuant to paragraph (a)(i) above that it is a FATCA Exempt Party and it subsequently becomes aware that it is not, or has ceased to be a FATCA Exempt Party, that Party shall notify that other Party reasonably promptly.

- (c) Paragraph (a) above shall not oblige any Finance Party to do anything which would or might in its reasonable opinion constitute a breach of:
  - (i) any law or regulation;
  - (ii) any fiduciary duty; or
  - (iii) any duty of confidentiality.
- (d) If a Party fails to confirm its status or to supply forms, documentation or other information requested in accordance with paragraph (a) above (including, for the avoidance of doubt, where paragraph (c) above applies), then:
  - (i) if that Party failed to confirm whether it is (and/or remains) a FATCA Exempt Party then such Party shall be treated for the purposes of the Finance Documents as if it is not a FATCA Exempt Party; and
  - (ii) if that Party failed to confirm its applicable "passthru payment percentage" then such Party shall be treated for the purposes of the Finance Documents (and payments made thereunder) as if its applicable "passthru payment percentage" is 100%,

until (in each case) such time as the Party in question provides the requested confirmation, forms, documentation or other information.

#### **18.9 FATCA Deduction**

- (a) Each Party may make any FATCA Deduction it is required to make by FATCA, and any payment required in connection with that FATCA Deduction, and no Party shall be required to increase any payment in respect of which it makes such a FATCA Deduction or otherwise compensate the recipient of the payment for that FATCA Deduction.
- (b) Each Party shall promptly, upon becoming aware that it must make a FATCA Deduction (or that there is any change in the rate or the basis of such FATCA Deduction) notify the Party to whom it is making the payment and, in addition, shall notify the Company, the Agent and the other Finance Parties.

#### **19. INCREASED COSTS**

##### **19.1 Increased costs**

- (a) Subject to Clause 19.3 (*Exceptions*) the Company shall, within three Business Days of a demand by the Agent, pay for the account of a Finance Party the amount of any Increased Costs incurred by that Finance Party or any of its Affiliates as a result of:
  - (i) the introduction of or any change in (or in the interpretation, administration or application of) any law or regulation after the date of this Agreement;



- (ii) compliance with any law or regulation made after the date of this Agreement; or
  - (iii) the implementation or application of, or compliance with, Basel III or any law or regulation that implements or applies Basel III.
- (b) In this Agreement:
  - (i) **"Increased Costs"** means:
    - (A) a reduction in the rate of return from a Facility or on a Finance Party's (or its Affiliate's) overall capital;
    - (B) an additional or increased cost; or
    - (C) a reduction of any amount due and payable under any Finance Document,

which is incurred or suffered by a Finance Party or any of its Affiliates to the extent that it is attributable to that Finance Party having entered into its Commitment or an Ancillary Commitment or funding or performing its obligations under any Finance Document or Letter of Credit; and
  - (ii) **"Basel III"** means:
    - (A) the agreements on capital requirements, a leverage ratio and liquidity standards contained in "Basel III: A global regulatory framework for more resilient banks and banking systems", "Basel III: International framework for liquidity risk measurement, standards and monitoring" and "Guidance for national authorities operating the countercyclical capital buffer" published by the Basel Committee on Banking Supervision in December 2010, each as amended, supplemented or restated; and
    - (B) the rules for global systemically important banks contained in "Global systemically important banks: assessment methodology and the additional loss absorbency requirement – Rules text" published by the Basel Committee on Banking Supervision in November 2011 as amended, supplemented or restated; and
    - (C) any further guidance or standards published by the Basel Committee on Banking Supervision relating to "Basel III".

## 19.2 Increased cost claims

- (a) A Finance Party intending to make a claim pursuant to Clause 19.1 (*Increased costs*) shall notify the Agent of the event giving rise to the claim, following which the Agent shall promptly notify the Company.

- (b) Each Finance Party shall, as soon as practicable after a demand by the Agent, provide a certificate confirming the amount of its Increased Costs.

### 19.3 Exceptions

- (a) Clause 19.1 (*Increased costs*) does not apply to the extent any Increased Cost is:
  - (i) attributable to a Tax Deduction required by law to be made by an Obligor;
  - (ii) attributable to a FATCA Deduction required to be made by a Party;
  - (iii) compensated for by Clause 18.3 (*Tax indemnity*) (or would have been compensated for under Clause 18.3 (*Tax indemnity*) but was not so compensated solely because any of the exclusions in paragraph (b) of Clause 18.3 (*Tax indemnity*) applied);
  - (iv) attributable to the negligence or the wilful breach by the relevant Finance Party or its Affiliates of any law or regulation; or
  - (v) attributable to the implementation or application of or compliance with the "International Convergence of Capital Measurement and Capital Standards, a Revised Framework" published by the Basel Committee on Banking Supervision in June 2004 in the form existing on the date of this Agreement (but excluding any amendment arising out of Basel III) ("**Basel II**") or any other law or regulation which implements Basel II (whether such implementation, application or compliance is by a government, regulator, Finance Party or any of its Affiliates).
- (b) In this Clause 19.3 reference to a "**Tax Deduction**" has the same meaning given to the term in Clause 18.1 (*Definitions*).

## 20. OTHER INDEMNITIES

### 20.1 Currency indemnity

- (a) If any sum due from an Obligor under the Finance Documents (a "**Sum**"), or any order, judgment or award given or made in relation to a Sum, has to be converted from the currency (the "**First Currency**") in which that Sum is payable into another currency (the "**Second Currency**") for the purpose of:
  - (i) making or filing a claim or proof against that Obligor; or
  - (ii) obtaining or enforcing an order, judgment or award in relation to any litigation or arbitration proceedings,

that Obligor shall as an independent obligation, within three Business Days of demand, indemnify each Secured Party to whom that Sum is due against any cost, loss or liability arising out of or as a result of the conversion including any discrepancy between (A) the rate of exchange used to convert that Sum

from the First Currency into the Second Currency and (B) the rate or rates of exchange available to that person at the time of its receipt of that Sum.

- (b) Each Obligor waives any right it may have in any jurisdiction to pay any amount under the Finance Documents in a currency or currency unit other than that in which it is expressed to be payable.

## **20.2 Other indemnities**

- (a) The Company shall (or shall procure that an Obligor will), within three Business Days of demand, indemnify each Secured Party against any cost, loss or liability incurred by it as a result of:
  - (i) the occurrence of any Event of Default;
  - (ii) a failure by an Obligor to pay any amount due under a Finance Document on its due date, including without limitation, any cost, loss or liability arising as a result of Clause 34 (*Sharing among the Finance Parties*);
  - (iii) funding, or making arrangements to fund, its participation in a Utilisation requested by a Borrower in a Utilisation Request but not made by reason of the operation of any one or more of the provisions of this Agreement (other than by reason of default or negligence by that Finance Party alone);
  - (iv) issuing or making arrangements to issue a Letter of Credit requested by the Company or a Borrower in a Utilisation Request but not issued by reason of the operation of any one or more of the provisions of this Agreement; or
  - (v) a Utilisation (or part of a Utilisation) not being prepaid in accordance with a notice of prepayment given by a Borrower or the Company.

## **20.3 Indemnity to the Agent**

The Company shall (or shall procure that an Obligor will) within 5 Business Days of demand, indemnify the Agent against:

- (a) any cost, loss or liability incurred by the Agent (acting reasonably) as a result of:
  - (i) investigating any event which it reasonably believes is a Default;
  - (ii) acting or relying on any notice, request or instruction which it reasonably believes to be genuine, correct and appropriately authorised; or
  - (iii) instructing lawyers, accountants, tax advisers, surveyors or other professional advisers or experts as permitted under this Agreement; and

- (b) any cost, loss or liability (including, without limitation, for negligence or any other category of liability whatsoever) incurred by the Agent (otherwise than by reason of the Agent's gross negligence or wilful misconduct or deliberate breach of the terms of this Agreement) (or, in the case of any cost, loss or liability pursuant to Clause 35.11 (*Disruption to Payment Systems etc.*) notwithstanding the Agent's negligence, gross negligence or any other category of liability whatsoever but not including any claim based on the fraud of the Agent) in acting as Agent under the Finance Documents.

## **21. MITIGATION BY THE LENDERS**

### **21.1 Mitigation**

- (a) Each Finance Party shall, in consultation with the Company, take all reasonable steps to mitigate any circumstances which arise and which would result in any amount becoming payable under or pursuant to, or cancelled pursuant to, any of Clause 11.1 (*Illegality*) (or, in respect of the Issuing Bank, Clause 11.2 (*Illegality in relation to Issuing Bank*)), Clause 18 (*Tax gross-up and indemnities*) or Clause 19 (*Increased Costs*) including (but not limited to) transferring its rights and obligations under the Finance Documents to another Affiliate or Facility Office.
- (b) Paragraph (a) above does not in any way limit the obligations of any Obligor under the Finance Documents.

### **21.2 Limitation of liability**

- (a) The Company shall promptly indemnify each Finance Party for all costs and expenses reasonably incurred by that Finance Party as a result of steps taken by it under Clause 21.1 (*Mitigation*).
- (b) A Finance Party is not obliged to take any steps under Clause 21.1 (*Mitigation*) if, in the opinion of that Finance Party (acting reasonably), to do so might be prejudicial to it.

## **22. COSTS AND EXPENSES**

### **22.1 Transaction expenses**

The Company shall within thirty days of demand pay the Agent, the Arranger, the Issuing Bank and the Security Agent the amount of all costs and expenses (including legal fees) (subject to any agreed caps) reasonably incurred by any of them (and, in the case of the Security Agent, by any Receiver or Delegate) in connection with the negotiation, preparation, printing, execution, syndication (if any but only to the extent incurred prior to the Closing Date) and perfection of:

- (a) this Agreement and any other documents referred to in this Agreement and the Transaction Security; and
- (b) any other Finance Documents executed after the date of this Agreement.

## 22.2 **Amendment costs**

If:

- (a) an Obligor requests an amendment, waiver or consent; or
- (b) an amendment is required pursuant to Clause 35.10 (*Change of currency*),

the Company shall, within thirty Business Days of demand, reimburse each of the Agent and the Security Agent for the amount of all costs and expenses (including legal fees) (subject to any agreed caps) reasonably incurred by the Agent and the Security Agent (and, in the case of the Security Agent, by any Receiver or Delegate) in responding to, evaluating, negotiating or complying with that request or requirement.

## 22.3 **Enforcement and preservation costs**

The Company shall, within five Business Days of demand, pay to the Agent and each other Secured Party the amount of all costs and expenses (including legal fees) incurred by it in connection with the enforcement of or the preservation of any rights under any Finance Document and the Transaction Security and any proceedings instituted by or against the Security Agent as a consequence of taking or holding the Transaction Security or enforcing these rights.

## **SECTION 7 GUARANTEE**

### **23. GUARANTEE AND INDEMNITY**

#### **23.1 Guarantee and indemnity**

Each Guarantor irrevocably and unconditionally jointly and severally:

- (a) guarantees to each Finance Party punctual performance by each other Obligor of all that Obligor's obligations under the Finance Documents;
- (b) undertakes with each Finance Party that whenever another Obligor does not pay any amount when due under or in connection with any Finance Document, that Guarantor shall immediately on demand pay that amount as if it was the principal obligor; and
- (c) agrees with each Finance Party that if any obligation guaranteed by it is or becomes unenforceable, invalid or illegal, it will, as an independent and primary obligation, indemnify that Finance Party immediately on demand against any cost, loss or liability it incurs as a result of an Obligor not paying any amount which would, but for such unenforceability, invalidity or illegality, have been payable by it under any Finance Document on the date when it would have been due. The amount payable by a Guarantor under this indemnity will not exceed the amount it would have had to pay under this Clause 23 if the amount claimed had been recoverable on the basis of a guarantee,

subject in each case to any limitations referred to in Clause 23.11 (*Guarantee Limitations*) or in any Accession Agreement by which such guarantor become party to this Agreement.

#### **23.2 Continuing Guarantee**

This guarantee and indemnity is independent and separate from the obligations of any Obligor (and, consequently, the guarantee granted by any Spanish Guarantor under this Agreement will in no event be construed or configured as a Spanish "*fianza*" for the purposes of article 1,822 seq of the Spanish Civil Code) and is a continuing guarantee which will extend to the ultimate balance of sums payable by any Obligor under the Finance Documents, regardless of any intermediate payment or discharge in whole or in part.

#### **23.3 Reinstatement**

If any discharge, release or arrangement (whether in respect of the obligations of any Obligor or any security for those obligations or otherwise) is made by a Finance Party in whole or in part on the basis of any payment, security or other disposition which is avoided or must be restored in insolvency, liquidation, administration or otherwise, without limitation, then the liability of each Guarantor under this Clause 23 will continue or be reinstated as if the discharge, release or arrangement had not occurred.

#### 23.4 **Waiver of defences**

The obligations of each Guarantor under this Clause 23 will not be affected by an act, omission, matter or thing which, but for this Clause 23, would reduce, release or prejudice any of its obligations under this Clause 23 (without limitation and whether or not known to it or any Finance Party) including:

- (a) any time, waiver or consent granted to, or composition with, any Obligor or other person;
- (b) the release of any other Obligor or any other person under the terms of any composition or arrangement with any creditor of any member of the Group;
- (c) the taking, variation, compromise, exchange, renewal or release of, or refusal or neglect to perfect, take up or enforce, any rights against, or security over assets of, any Obligor or other person or any non-presentation or non-observance of any formality or other requirement in respect of any instrument or any failure to realise the full value of any security;
- (d) any incapacity or lack of power, authority or legal personality of or dissolution or change in the members or status of an Obligor or any other person;
- (e) any amendment, novation, supplement, extension, restatement (however fundamental and whether or not more onerous) or replacement of a Finance Document or any other document or security including, without limitation, any change in the purpose of, any extension of or increase in any facility or the addition of any new facility under any Finance Document or other document or security;
- (f) any unenforceability, illegality or invalidity of any obligation of any person under any Finance Document or any other document or security; or
- (g) any insolvency or similar proceedings.

#### 23.5 **Guarantor Intent**

Without prejudice to the generality of Clause 23.4 (*Waiver of defences*), each Guarantor expressly confirms that it intends that this guarantee shall extend from time to time to any (however fundamental and of whatsoever nature and whether or not more onerous) variation, increase, extension or addition of or to any of the Finance Documents and/or any facility or amount made available under any of the Finance Documents for the purposes of or in connection with any of the following: business acquisitions of any nature; increasing working capital; enabling investor distributions to be made; carrying out restructurings; refinancing existing facilities; refinancing any other indebtedness; making facilities available to new borrowers; any other variation or extension of the purposes for which any such facility or amount might be made available from time to time; and any fees, costs and/or expenses associated with any of the foregoing.



### **23.6 Immediate recourse**

Each Guarantor waives any right it may have of first requiring any Finance Party (or any trustee or agent on its behalf) to proceed against or enforce any other rights or security or claim payment from any person before claiming from that Guarantor under this Clause 23. This waiver applies irrespective of any law or any provision of a Finance Document to the contrary.

### **23.7 Appropriations**

Until all amounts which may be or become payable by the Obligors under or in connection with the Finance Documents have been irrevocably paid in full, each Finance Party (or any trustee or agent on its behalf) may:

- (a) refrain from applying or enforcing any other moneys, security or rights held or received by that Finance Party (or any trustee or agent on its behalf) in respect of those amounts, or apply and enforce the same in such manner and order as it sees fit (whether against those amounts or otherwise) and no Guarantor shall be entitled to the benefit of the same; and
- (b) hold in an interest-bearing suspense account any moneys received from any Guarantor or on account of any Guarantor's liability under this Clause 23.

### **23.8 Deferral of Guarantors' rights**

Until all amounts which may be or become payable by the Obligors under or in connection with the Finance Documents have been irrevocably paid in full and unless the Agent otherwise directs, no Guarantor will exercise any rights which it may have by reason of performance by it of its obligations under the Finance Documents or by reason of any amount being payable, or liability arising, under this Clause 23:

- (a) to be indemnified by an Obligor;
- (b) to claim any contribution from any other guarantor of any Obligor's obligations under the Finance Documents;
- (c) to take the benefit (in whole or in part and whether by way of subrogation or otherwise) of any rights of the Finance Parties under the Finance Documents or of any other guarantee or security taken pursuant to, or in connection with, the Finance Documents by any Finance Party;
- (d) to bring legal or other proceedings for an order requiring any Obligor to make any payment, or perform any obligation, in respect of which any Guarantor has given a guarantee, undertaking or indemnity under Clause 23.1 (*Guarantee and indemnity*);
- (e) to exercise any right of set-off against any Obligor; and/or
- (f) to claim or prove as a creditor of any Obligor in competition with any Finance Party.

If a Guarantor receives any benefit, payment or distribution in relation to such rights it shall hold that benefit, payment or distribution to the extent necessary to enable all amounts which may be or become payable to the Finance Parties by the Obligors under or in connection with the Finance Documents to be repaid in full on trust for the Finance Parties and shall promptly pay or transfer the same to the Agent or as the Agent may direct for application in accordance with Clause 35 (*Payment mechanics*).

### 23.9 Release of Guarantors' right of contribution

If any Guarantor (a "**Retiring Guarantor**") ceases to be a Guarantor in accordance with the terms of the Finance Documents for the purpose of any sale or other disposal of that Retiring Guarantor then on the date such Retiring Guarantor ceases to be a Guarantor:

- (a) that Retiring Guarantor is released by each other Guarantor from any liability (whether past, present or future and whether actual or contingent) to make a contribution to any other Guarantor arising by reason of the performance by any other Guarantor of its obligations under the Finance Documents; and
- (b) each other Guarantor waives any rights it may have by reason of the performance of its obligations under the Finance Documents to take the benefit (in whole or in part and whether by way of subrogation or otherwise) of any rights of the Finance Parties under any Finance Document or of any other security taken pursuant to, or in connection with, any Finance Document where such rights or security are granted by or in relation to the assets of the Retiring Guarantor.

### 23.10 Additional security

This guarantee is in addition to and is not in any way prejudiced by any other guarantee or security now or subsequently held by any Finance Party.

### 23.11 Guarantee Limitations

- (a) *Spain*

The obligations of any Spanish Guarantor under this Clause 23 (Guarantee and Indemnity) or under any Transaction Security Document governed by Spanish law shall not include and shall not extend to any obligations or amounts that would render such obligations in contravention of Section 150 of the Spanish Capital Companies Act (Real Decreto Legislativo 1/2010, de 2 de julio, por el que se aprueba el texto refundido de la Ley de Sociedades de Capital). In particular, no Spanish Guarantor may, in any case, secure any payment, prepayment, repayment or reimbursement obligations derived from any Finance Document used or that may be used for the purposes of payment of acquisition debt (in the sense of Section 150 of the Spanish Companies Act), payment of any costs or transaction expenses related to or paying the purchase price for such acquisition.

(b) *Czech Republic*

- (i) The obligations and liabilities of a Czech Guarantor under the guarantee and/or indemnity pursuant to this Clause 23 shall be limited to an amount equal to the Czech Limitation Amount, being:

$$\frac{G}{O} \times A$$

where:

- (A) "A" means the net book value of all assets of the relevant Czech Guarantor recorded in its latest audited annual unconsolidated financial statements available to the Agent or, if they are more up-to-date and supplied to the Agent within 15 Business Days of its request and if the Agent, acting in its sole discretion, has no reason to doubt the accuracy thereof, its latest audited interim unconsolidated financial statements available to the Agent;
- (B) "G" means the amount of all obligations that would have been guaranteed by the relevant Czech Guarantor under this Agreement had the Czech Limitation Amount not been applied, **provided that** where such amount is expressed in a currency other than Czech crowns, such amount shall be expressed in its equivalent in Czech crowns on the date falling one Business Day prior to the date on which the relevant Finance Party dispatched a demand for performance under this Clause 23 vis-à-vis the relevant Czech Guarantor; and
- (C) "O" means all liabilities of the relevant Czech Guarantor recorded in its latest audited annual unconsolidated financial statements available to the Agent or, if they are more up-to-date and supplied to the Agent within 15 Business Days of its request and if the Agent, acting in its sole discretion, has no reason to doubt the accuracy thereof, its latest audited interim unconsolidated financial statements. The term "liabilities" shall have the meaning attached to it under the accounting standards applicable to the relevant Czech Guarantor but, notwithstanding the foregoing, shall at all times:
- (1) exclude equity (in Czech *vlastní kapitál*); and
  - (2) include the amount calculated as "G" based on the definition set out above.
- (ii) For the avoidance of doubt, for the purpose of the calculation of the "O" amount under paragraph (i) above, any identical obligations of the relevant Czech Guarantor mentioned therein will only be included in the "O" amount once. The term "net book value" used for the purpose of the calculation of the Czech Limitation Amount means the book

value reduced by corrections and provisions (in Czech *opravné položky a oprávký (korekce)*) as set out in decree no. 500/2002 Coll., as amended (the "**Decree**"), implementing Act No. 563/1991 Coll., Czech Act on Accountancy, as amended or in any other legislation which may supersede the Decree in the future.

- (iii) The agreement contained in paragraph (i) above shall be conditional on no declaration of insolvency (in Czech *rozhodnutí o úpadku*) having been passed in relation to the relevant Czech Guarantor or any of its assets in insolvency proceedings conducted in the Czech Republic or other similar steps having been taken in similar proceedings conducted in another jurisdiction involving *pro rata* payment of general creditors' claims (a "**Declaration of Insolvency**"). Upon a Declaration of Insolvency the agreement contained in paragraph (i) above shall cease to apply.

(c) *France*

- (i) If and to the extent any French Guarantor is liable under the Finance Documents in relation to the obligations, undertakings, indemnities or liabilities under the Finance Documents (including, without limitation, under this Clause 23 of an Obligor (other than the relevant French Guarantor or any of its subsidiaries)), the obligations and liabilities of the French Guarantor shall not include any obligation or liability which, if incurred, would constitute the provision of financial assistance within the meaning of article L.225-216 of the French *Code de Commerce* and/or would constitute a misuse of corporate assets within the meaning of article(s) L.241-3 of the French *Code de Commerce* or any other law or regulation having the same effect, as interpreted by French courts.
- (ii) The obligations and liabilities of each French Guarantor under this Clause 23 for the obligations under the Finance Documents of any other Obligor which is not a Subsidiary of such French Guarantor shall be limited, at any time to an amount equal to the aggregate of all amounts directly or indirectly borrowed under this Agreement by such other Obligor to the extent directly or indirectly on-lent to such French Guarantor or any of its direct or indirect Subsidiaries under intercompany arrangements and outstanding at the date a payment is to be made by such French Guarantor under this Clause 23; it being specified that any payment made by a French Guarantor under this Clause 23 in respect of the obligations of such Obligor shall reduce *pro tanto* the outstanding amount of the intercompany loans due by such French Guarantor under the intercompany arrangements referred to above and that any repayment of the intercompany loans by the French Guarantor or its relevant direct or indirect Subsidiary shall reduce *pro tanto* the amount payable under this Clause 23.
- (iii) The obligations and liabilities of each French Guarantor under this Clause 23 for the obligations under the Finance Documents of any other Obligor which is its direct or indirect Subsidiary shall not be

limited and shall therefore cover all amounts due by such Obligor as Borrower and/or as Guarantor. However, where such Subsidiary is itself a Guarantor which guarantees the obligations of a member of the Group which is not a Subsidiary of the relevant French Guarantor, the amounts payable by such French Guarantor under this paragraph (iii) in respect of the obligations of this Subsidiary as Guarantor, shall be limited as set out in paragraph (ii) above.

- (iv) It is acknowledged that no French Guarantor is acting jointly and severally with the other Guarantors and no French Guarantor shall therefore be considered as "*co-débiteur solidaire*" as to its obligations pursuant to the guarantee given pursuant to this Clause 23.
- (v) For the purpose of paragraphs (ii) and (iii) above "**Subsidiary**" means, in relation to any company, another company which is controlled by it within the meaning of article L.233-3 of the French *Code de Commerce*.

(d) *Poland*

- (i) Notwithstanding any other provision of this Clause 23, the obligations and liabilities of any Polish Guarantor shall not include any liability to the extent it would result in a reduction of the assets of such Polish Guarantor necessary to cover in full its share capital pursuant to Article 189 §2 of the Polish Commercial Companies Code of 15 September 2000 (Journal of Laws No. 94, item 1037).
- (ii) Notwithstanding anything to the contrary contained in the Finance Documents, the obligations of any Polish Guarantor shall be limited to the extent that they do not result in its insolvency within the meaning of Article 11 § 2 of the Polish Bankruptcy and Restructuring Law dated 28 February 2003 (Journal of Laws No. 60, item 535, as amended) ("**Polish Bankruptcy and Restructuring Law**"). The limitation in this sub-paragraph shall not apply if at least one of the following circumstances occurs:
  - (A) an Event of Default occurs and is continuing, irrespective of whether it occurred before or after the Polish Guarantor became insolvent within the meaning of Article 11 § 2 of the Polish Bankruptcy and Restructuring Law; or
  - (B) liabilities of the Polish Guarantor other than those under the Finance Documents result in its insolvency within the meaning of Article 11 § 2 of the Polish Bankruptcy and Restructuring Law; or
  - (C) Polish law is amended in such manner that balance sheet insolvency (*stan nadmiernego zadłużenia*) as provided for in Article 11 § 2 of the Polish Bankruptcy and Restructuring Law (as in force on the date of this Agreement) no longer gives

grounds for bankruptcy or no longer obliges the representatives of such Polish Guarantor to file for bankruptcy.

(e) *Portugal*

- (i) Without prejudice to the provisions of this Clause 23, each Portuguese Guarantor hereby irrevocably and unconditionally acknowledges and agrees that the joint and several guarantee provided hereunder is subject to the regime of Articles 512 to 527 of the Portuguese Civil Code ("*obrigações solidárias*" in general and "*solidariedade entre devedores*" in particular), and is not accessory in nature and as such does not qualify as a "*fiança*" pursuant to Articles 627 *et seq* of the Portuguese Civil Code.
- (ii) The joint and several guarantee given by the Portuguese Guarantors under Clause 23.1 (*Guarantee and indemnity*) shall be limited such that the maximum amount guaranteed by each of the following Portuguese Guarantors will be:
  - (1) Gestamp Cerveira, LDA. – Three hundred and fifty million Euros (€350,000,000);
  - (2) Gestamp Aveiro – Indústria de Acessórios de Automóveis, S.A. – Three hundred and fifty million Euros (€350,000,000); and
  - (3) Gestamp Vendas Novas, Unipessoal, Lda. – Three hundred and fifty million Euros (€350,000,000).

(f) *Slovak Republic*

- (i) The obligations and liabilities of any Slovak Guarantor under the guarantee and/or indemnity pursuant to this Clause 23 shall be limited to an amount equal to the Slovak Limitation Amount, being:

$$\frac{G}{O} \times A$$

where:

- (A) "A" means the net book value of all assets of the relevant Slovak Guarantor recorded in its latest audited annual unconsolidated financial statements available to the Agent or, if they are more up-to-date and supplied to the Agent within 15 Business Days of its request and if the Agent, acting in its sole discretion, has no reason to doubt the accuracy thereof, its latest [audited] interim unconsolidated financial statements available to the Agent;
- (B) "G" means the amount of all obligations that would have been guaranteed by the relevant Slovak Guarantor under this Agreement had the Slovak Limitation Amount not been applied, **provided that** where such amount is expressed in a

currency other than Euro, such amount shall be expressed in its equivalent in Euros] on the date falling one Business Day prior to the date on which the relevant Finance Party dispatched a demand for performance under this Clause 23 vis-à-vis the relevant Slovak Guarantor; and

(C) "O" means all liabilities of the relevant Slovak Guarantor recorded in its latest audited annual unconsolidated financial statements available to the Agent or, if they are more up-to-date and supplied to the Agent within 15 Business Days of its request and if the Agent, acting in its sole discretion, has no reason to doubt the accuracy thereof, its latest audited interim unconsolidated financial statements. The term "liabilities" shall have the meaning attached to it under the accounting standards applicable to the relevant Slovak Guarantor but, notwithstanding the foregoing, shall at all times:

- (1) exclude equity capital (*vlastné imanie*); and
- (2) exclude any subordinated liabilities under Section 408a of the Slovak Commercial Code (and other liabilities, including intra-Group liabilities, which should be satisfied in the same order of priority as subordinated liabilities under the Slovak Insolvency Act); and
- (3) exclude any conditional liabilities; and
- (4) include the amount calculated as "G" based on the definition set out above.

(ii) For the avoidance of doubt, for the purpose of the calculation of the "O" amount under paragraph (i) above, any identical obligations of the relevant Slovak Guarantor mentioned therein will only be included in the "O" amount once. The term "net book value" used for the purpose of the calculation of the Slovak Limitation Amount means the book value reduced by corrections and provisions (in Slovak *opravné položky a oprávky (korekcie)*) as set out in decree of the Ministry of Finance of the Slovak Republic dated 16 December 2002 no. 4/2003 Coll., as amended (the "**Decree**"), implementing the Slovak Act No. 431/2002 Coll., on Accountancy, as amended or in any other legislation which may supersede the Decree in the future.

(iii) The agreement contained in paragraph (i) above shall be conditional on no declaration of bankruptcy (in Slovak *vyhlásenie konkurzu*) or restructuring (in Slovak *povolenie reštrukturalizácie*) having been passed in relation to the relevant Slovak Guarantor or any of its assets in bankruptcy or restructuring proceedings conducted in the Slovak Republic or other similar steps having been taken in similar proceedings conducted in another jurisdiction involving *pro rata* payment of general creditors' claims ("**Declaration of Bankruptcy or Restructuring**"). Upon a Declaration of Bankruptcy or Restructuring



(other than at the instigation of the Agent or other Finance Party) the agreement contained in paragraph (i) above shall cease to apply.

(g) *Sweden*

The obligations of each Swedish Guarantor in its capacity as a Guarantor under this guarantee shall be limited if (and only if) required by the provisions of the Swedish Companies Act (Sw. Aktiebolagslagen (2005:551)) regulating distribution of assets (Chapter 17, Section 3 (or its equivalent from time to time)) and it is understood that the liability of each Swedish Guarantor in its capacity as Guarantor under this Clause 23 and set out in this Agreement, only applies to the extent permitted by the above provisions of the Swedish Companies Act.

(h) *Germany*

In this paragraph (h):

**"German Guarantor"** means a Guarantor incorporated or established in Germany in the legal form of a limited liability company (*GmbH*) or a limited partnership with a limited liability company as general partner (*GmbH & Co. KG*).

**"Guarantee"** means the guarantee and indemnity given pursuant to this Clause 23 (*Guarantee and indemnity*).

**"Net Assets"** means an amount equal to the sum of the amounts of the German Guarantor's (or, in the case of a GmbH & Co. KG, its general partner's) assets (consisting of all assets which correspond to the items set forth in section 266 paragraph 2 A, B, C, D and E of the German Commercial Code (*Handelsgesetzbuch* – "**HGB**")) less the aggregate amount of such German Guarantor's (or, in the case of a GmbH & Co. KG, its general partner's) liabilities (consisting of all liabilities and liability reserves which correspond to the items set forth in section 266 paragraph 3 B, C, D and E HGB), save that:

(A) any obligations (*Verbindlichkeiten*) of the German Guarantor (and, in the case of a GmbH & Co. KG, of its general partner):

- (1) owing to any member of the Group or any other affiliated company which are subordinated by law or by contract to any Financial Indebtedness outstanding under this Agreement (including, for the avoidance of doubt, obligations that would in an insolvency be subordinated pursuant to section 39 paragraph 1 no. 5 or section 39 paragraph 2 of the German Insolvency Code (*Insolvenzordnung*)) and including obligations under guarantees for obligations which are so subordinated; or
- (2) incurred in violation of any of the provisions of the Finance Documents

shall be disregarded; and

- (B) the assets of the German Guarantor (and, in the case of a GmbH & Co. KG, its general partner) shall be assessed at their liquidation value (*Liquidationswert*) instead of their book value (*Buchwert*) if, at the time demand under the Guarantee is made, a negative prognosis as to whether the business can carry on as a going concern (*negative Fortführungsprognose*) must be made.

The Net Assets shall be determined in accordance with the generally accepted accounting principles applicable from time to time in Germany (*Grundsätze ordnungsmäßiger Buchführung*) and be based on the same principles that were applied by the German Guarantor (or, in the case of a GmbH & Co. KG, its general partner) in the preparation of its most recent annual balance sheet (*Jahresbilanz*).

**"Protected Capital"** means in relation to a German Guarantor the aggregate amount of:

- (A) its (or, where the German Guarantor is a GmbH & Co. KG, its general partner's) share capital (*Stammkapital*) as registered in the commercial register (*Handelsregister*) **provided that** any increase registered after the date of this Agreement shall not be taken into account unless (i) such increase has been effected with the prior written consent of the Agent (even if such increase is permitted under this Agreement or any other Finance Document) and (ii) only to the extent it is fully paid up; and
- (B) its (or when applicable where the German Guarantor is a GmbH & Co. KG, its general partner's) amount of profits (*Gewinne*) which are not available for distribution to its shareholder(s) in accordance with section 268 paragraph 8 HGB.

**"Up-stream and/or Cross-stream Guarantee"** means any Guarantee if and to the extent such Guarantee secures the obligations of an Obligor which is a shareholder of the German Guarantor (and/or, in the case of a GmbH & Co. KG, of its general partner) or an affiliated company (*verbundenes Unternehmen*) of such shareholder within the meaning of section 16, 17 or 18 of the German Stock Corporation Act (*Aktiengesetz*) (other than the German Guarantor and its Subsidiaries and, in the case of a GmbH & Co. KG, the general partner and its Subsidiaries), **provided that** it shall not constitute an Up-stream or Cross-stream Guarantee if and to the extent the Guarantee guarantees amounts outstanding under any Finance Document in relation to any financial accommodation made available under such Finance Document to any Borrower and on-lent or otherwise passed on to, or issued for the benefit of, the relevant German Guarantor or any of its Subsidiaries (and, where the German Guarantor is a GmbH & Co. KG, to, or for the benefit of, its general partner or any of its Subsidiaries) and outstanding from time to time.

- (i) This paragraph (h) applies if and to the extent the Guarantee is given by a German Guarantor and is an Up-stream and/or Cross-stream Guarantee.

- (ii) Each Finance Party agrees that the enforcement of the Guarantee given by a German Guarantor shall be limited if:
  - (A) (and to the extent that) the Guarantee constitutes an Upstream-and/or Cross-Stream Guarantee; and
  - (B) payment under the Guarantee would otherwise;
    - (1) have the effect of reducing the German Guarantor's (or, where the German Guarantor is a GmbH & Co. KG, its general partner's) Net Assets to an amount that is lower than the amount of its (or, in the case of a GmbH & Co. KG, its general partner's) Protected Capital or, if the amount of the Net Assets is already lower than the amount of its (or, in the case of a GmbH & Co. KG, its general partner's) Protected Capital, cause the Net Assets to be further reduced; and
    - (2) thereby give rise to a violation of the capital maintenance requirement as set out in section 30 paragraph 1 of the German Limited Liability Companies Act (*Gesetz betreffend die Gesellschaften mit beschränkter Haftung*); and
  - (C) the relevant German Guarantor has complied with its obligation to deliver the Management Determination and the Auditor's Determination, in each case together with an up-to-date balance sheet, in accordance with the requirements set out in sub-paragraphs (iv) and (v) below.
- (iii) Within five Business Days after a Finance Party has made a demand under the Guarantee, the German Guarantor shall provide a certificate signed by its managing director(s) (*Geschäftsführer*) confirming in writing if and to what extent the Guarantee is an Up-stream and/or Cross-stream Guarantee and an enforcement of the Guarantee would have the effects referred to in sub-paragraph (iii)(B) above (the "**Management Determination**"). Such confirmation shall comprise an up-to-date balance sheet of the German Guarantor (and, in the case of a GmbH & Co. KG, its general partner) and a detailed calculation, based on the provisions of this Agreement, of the amount of the Net Assets and Protected Capital of the German Guarantor (or, in the case of a GmbH & Co. KG, its general partner). The relevant German Guarantor shall fulfil its obligations under the Guarantee within three Business Days of providing the Management Determination (and each Finance Party shall be entitled to enforce the Guarantee) in an amount which pursuant to the Management Determination would not cause the effects set out in sub-paragraph (iii)(B) above (irrespective of whether or not the Agent agrees with the Management Determination).
- (iv) If the Agent (acting on the instructions of the Majority Lenders) disagrees with the Management Determination, it may within twenty

(20) Business Days of its receipt request the German Guarantor to deliver, at its own cost and expense, within twenty (20) Business Days of such request an up-to-date balance sheet of the German Guarantor (and, in the case of a GmbH & Co. KG, of its general partner), drawn-up by an Auditor appointed by the German Guarantor in consultation with the Agent, together with a detailed calculation, based on the provisions of this Agreement, of the amount of the Net Assets and Protected Capital of the German Guarantor (or, in the case of a GmbH & Co. KG, its general partner) (the "**Auditor's Determination**"). The German Guarantor shall fulfil its obligations under the Guarantee within three Business Days of providing the Auditor's Determination (and each Finance Party shall be entitled to enforce the Guarantee) in an amount which pursuant to the Auditor's Determination would not cause the effects set out in sub-paragraph (iii)(B) above.

- (v) No reduction of the amount enforceable pursuant to this paragraph (g) will prejudice the right of the Finance Parties to continue to enforce the Guarantee (subject always to the operation of the limitations set out above at the time of such enforcement) until full satisfaction of the claims guaranteed.
- (vi) Each German Guarantor shall (and, in the case of a German Guarantor in the form of a GmbH & Co. KG, shall procure that its general partner will) do everything commercially justifiable and legally permitted to avoid the enforcement of the Guarantee becoming limited pursuant to the terms of this paragraph (g) and shall in particular, within three months after a written request of the Agent realise at least at market value any of its (and, in the case of a GmbH & Co. KG, any of its general partner's) assets that is not necessary for its business (*nicht betriebsnotwendig*) (or, in the case of a GmbH & Co. KG, that of its general partner) and is shown in its (or, in the case of a GmbH & Co. KG, its general partner's) balance sheet with a book value that is in the reasonable opinion of the Agent significantly lower than the market value.

(i) *Luxembourg*

Notwithstanding anything to the contrary contained in this Agreement or any other Finance Document, the aggregate maximum amount payable by any Guarantor incorporated in Luxembourg (the "**Luxembourg Guarantor**") in respect of the aggregate amount of its guarantee obligations under this Agreement for the obligations of any Borrower which is not its direct or indirect subsidiary shall be limited at any time to an amount not exceeding:

- (A) the aggregate of all principal amounts (if any) borrowed directly or indirectly by or made available by whatever means to that Luxembourg Guarantor or any of its direct or indirect subsidiaries from one or more other members of the Group that have been financed by a borrowing under this Agreement;
- (B) **plus** the greater of:

- (1) 95 per cent. of such Luxembourg Guarantor's net assets (*capitaux propres*) and the subordinated debt (*dettes subordonnées*) owed by such Luxembourg Guarantor excluding however any amounts taken into account under (A) above, (the "**Luxembourg Subordinated Debt**"), as determined by article 34 of the Luxembourg law of December 19, 2002 on the Register of Commerce and Companies, on accounting and on annual accounts of the companies as amended (the "**2002 Law**") at the date of this Agreement; and
- (2) 95 per cent. of such Luxembourg Guarantor's net assets (*capitaux propres*) and the Luxembourg Subordinated Debt as determined by article 34 of the 2002 Law at the date the guarantee is called.

**SECTION 8**  
**REPRESENTATIONS, UNDERTAKINGS AND EVENTS OF DEFAULT**

**24. REPRESENTATIONS**

**24.1 General**

Each Obligor makes the representations and warranties set out in this Clause 24 to each Finance Party (save for the representations and warranties in Clause 24.20 (*Ranking*) to Clause 24.22 (*Shares*) which shall be made by the Company only).

***Status, authorisations and governing law***

**24.2 Status**

- (a) It is a limited liability corporation, limited liability company or partnership with limited liability, duly incorporated or, in the case of a partnership, established and validly existing under the law of its Original Jurisdiction.
- (b) It and each of its Subsidiaries which is a Material Company has the power to own its assets and carry on its business in all material respects as it is being conducted.

**24.3 Domiciliation**

If it has its Original Jurisdiction in Luxembourg, it is in full compliance with the Luxembourg law dated 31 May 1999 on the domiciliation of companies, as amended, and the relevant regulations.

**24.4 Binding obligations**

Subject to the Legal Reservations:

- (a) and in the case of this Agreement or any other Finance Document any notarisation in Spain necessary for its validity or enforceability the obligations expressed to be assumed by it in each Finance Document to which it is a party are legal, valid, binding and enforceable obligations; and
- (b) (without limiting the generality of paragraph (a) above), each Transaction Security Document to which it is a party creates the security interests which that Transaction Security Document purports to create and those security interests are valid and effective subject to any Perfection Requirements.

**24.5 Non-conflict with other obligations**

The entry into and performance by it of, and the transactions contemplated by, the Finance Documents to which it is a party and, if applicable, the granting of the Transaction Security by it do not conflict with:

- (a) any law or regulation applicable to it;
- (b) its or any Material Company's constitutional documents; or

- (c) any agreement or instrument binding upon it or any Material Company or any of its or any Material Company's assets or constitute a default or termination event (however described) under any such agreement or instrument in any such case to an extent or in a manner which has or could reasonably be expected to have a Material Adverse Effect (which for the purposes of this paragraph (c) only shall include a material adverse effect on the validity or enforceability of or the rights and remedies of any Finance Party under any of the Finance Documents).

#### **24.6 Power and authority**

It has the power to enter into, perform and deliver, and has taken (or will take prior to entering into such document), all necessary action to authorise its entry into, performance and delivery of, the Finance Documents to which it is or will be a party and the transactions contemplated by those Finance Documents.

#### **24.7 Validity and admissibility in evidence**

- (a) Subject to the Legal Reservations and to any Perfection Requirements in the case of the Transaction Security Documents all Authorisations required:
  - (i) to enable it lawfully to enter into, exercise its rights and comply with its obligations in the Finance Documents to which it is a party; and
  - (ii) to make the Finance Documents to which it is a party admissible in evidence in its Original Jurisdiction,have been obtained or effected and are in full force and effect.
- (b) All Authorisations necessary for the conduct of its business, trade and ordinary activities are in full force and effect and it has not received any notification of nor is it aware of their suspension or withdrawal where, in any such case, failure to have any such Authorisation in full force and effect has or could reasonably be expected to have a Material Adverse Effect.

#### **24.8 Governing law and enforcement**

Subject to the Legal Reservations:

- (a) the choice of governing law of the Finance Documents will be recognised and enforced in its Original Jurisdiction; and
- (b) any judgment obtained in relation to a Finance Document in the jurisdiction of the governing law of that Finance Document will be recognised and enforced in its Original Jurisdiction, subject to compliance with applicable procedural requirements.



***No insolvency, default or tax liability***

**24.9 No filing or stamp taxes**

Under the laws of its Original Jurisdiction it is not necessary that any Finance Document to which it is a party be filed, recorded or enrolled with any court or other authority in that jurisdiction or that any stamp, registration, notarial or similar Taxes or fees be paid on or in relation to the Finance Documents to which it is a party or the transactions contemplated by those Finance Documents excluding any filing, recording, or enrolling or any stamp, registration, notarial or similar Taxes or fees referred to in any legal opinion.

**24.10 No default**

- (a) No Event of Default and, on the date of this Agreement and the Closing Date, no Default is continuing or is reasonably likely to result from the making of any Utilisation.
- (b) No other event or circumstance is outstanding which constitutes (or, with the expiry of a grace period, the giving of notice, the making of any determination or any combination of any of the foregoing, would constitute) a default or termination event (however described) under any other agreement or instrument which is binding on it or any Material Company or to which its (or any Material Company's) assets are subject which has or is reasonably likely to have a Material Adverse Effect.

**24.11 Taxation**

- (a) It is not (and none of its Subsidiaries is) materially overdue in the filing of any Tax returns where late filing has or could reasonably be expected to have a Material Adverse Effect and it is not (and none of its Subsidiaries is) overdue in the payment of any amount in respect of Tax the non-payment of which would have a Material Adverse Effect.
- (b) No claims or investigations are being, or are reasonably likely to be, made or conducted against it (or any of its Subsidiaries) with respect to Taxes such that a liability of, or claim against, any member of the Group which would have a Material Adverse Effect is reasonably likely to arise.
- (c) Each Borrower is resident for Tax purposes only in its Original Jurisdiction.

***Provision of information – general***

**24.12 No misleading information**

Save as disclosed in writing to the Agent and the Arranger prior to the date of this Agreement all written factual information relating to the Group, its assets or its business provided by any member of the Group (including its advisers) to the Agent or the Arranger was true, complete and accurate in all material respects as at the date it was provided and at the date provided was not misleading in any material respect.

#### 24.13 Original Financial Statements

- (a) Its Original Financial Statements were prepared in accordance with the Accounting Principles consistently applied.
- (b) The Company's audited Original Financial Statements give a true and fair view in all material respects of its consolidated financial condition and results of operations during the relevant financial year.
- (c) There has been no material adverse change in the consolidated business or financial condition of the Group since the date of the Company's Original Financial Statements.
- (d) The Company's most recent financial statements delivered pursuant to Clause 25.1 (*Financial statements*):
  - (i) have been prepared in accordance with (or in the case of quarterly accounts on a basis consistent with) the Accounting Principles as applied to the Original Financial Statements (save as adjusted or changed as contemplated by paragraph (b) of Clause 25.3 (*Requirements as to financial statements*)); and
  - (ii) give a true and fair view in all material respects of its consolidated financial condition as at the end of, and consolidated results of operations for, the period to which they relate.

#### 24.14 Accounting reference date

The Accounting Reference Date of the Company is 31 December.

#### *No proceedings or breach of laws*

#### 24.15 No proceedings pending or threatened

No litigation, arbitration or administrative proceedings or investigations of, or before, any court, arbitral body or agency which are reasonably likely to be adversely determined and, if so if adversely determined, are reasonably likely to have a Material Adverse Effect have (to the best of its knowledge and belief (having made due and careful enquiry)) been started or threatened against it or any Material Company and no corporate action, legal proceedings, or other step described in Clause 28.7 (*Insolvency proceedings*) or creditors' process described in Clause 28.8 (*Creditors' Process*), has to the knowledge of the Company or any Obligor been taken or is currently threatened against any Obligor or any Material Company.

#### 24.16 No breach of laws

- (a) It has not breached any law or regulation which breach has or could reasonably be expected to have a Material Adverse Effect.
- (b) No labour disputes are current or, to the best of the Company's or any Obligor's knowledge and belief (having made due and careful enquiry),

threatened against any member of the Group which have or could reasonably be expected to have a Material Adverse Effect.

#### **24.17 Environmental laws**

- (a) No member of the Group is in breach of any Environmental Law where such breach has or could reasonably be expected to have a Material Adverse Effect.
- (b) To the best of the Company's or any Obligor's knowledge and belief, no Environmental Claim has been commenced or threatened against any member of the Group which is reasonably likely to be adversely determined and if so adversely determined would have or could reasonably be likely to have a Material Adverse Effect.

#### ***Security and ownership of assets***

#### **24.18 Sanctions and Anti-corruption law**

- (a) So far as the Company or any Obligor is aware, each member of the Group and its respective directors and officers have conducted the business of such member of the Group in compliance in all material respects with applicable Anti-Corruption Laws and have instituted and maintained policies and procedures designed to promote and achieve compliance with such laws.
- (b) No member of the Group or any of their respective directors, officers or representatives acting on their behalf in connection with the Finance Documents:
  - (i) is a Designated Person;
  - (ii) is a Person that is owned or controlled by a Designated Person;
  - (iii) is located, organised or resident in a Sanctioned Country; or
  - (iv) has directly engaged in, or is now directly engaged in, any dealings or transactions (1) with any Designated Person, (2) in any Sanctioned Country, or (3) otherwise in violation of Sanctions.

#### **24.19 Security and Financial Indebtedness**

- (a) No Security or Quasi-Security exists over all or any of the present or future assets of any member of the Group other than as permitted by this Agreement.
- (b) No member of the Group has any Financial Indebtedness outstanding other than as permitted by this Agreement.

#### **24.20 Ranking**

Subject as set out in the Intercreditor Agreement and to the Legal Reservations, the Transaction Security has or will have the ranking in priority which it is expressed to have in the Transaction Security Documents and it is not subject to any prior ranking or *pari passu* ranking Security.

#### 24.21 Legal and beneficial ownership

Each Obligor which grants Transaction Security is the sole legal and beneficial owner of the respective assets over which it purports to grant Security.

#### 24.22 Shares

The shares of any member of the Group which are subject to the Transaction Security are fully paid and not subject to any option to purchase or similar rights. The constitutional documents of companies whose shares are subject to the Transaction Security do not restrict or inhibit any transfer of those shares on creation or enforcement of the Transaction Security. There are no agreements in force which provide for the issue or allotment of, or grant any person (other than the pledgor) the right to call for the issue or allotment of, any share or loan capital of any member of the Group whose shares are subject to the Transaction Security (including any option or right of pre-emption or conversion).

#### 24.23 Intellectual Property

It:

- (a) is the sole legal and beneficial owner of or has licensed to it on normal commercial terms all the Intellectual Property which is required by it in order to carry on its business as it is being conducted;
- (b) does not, in carrying on its businesses, infringe any Intellectual Property of any third party in any respect; and
- (c) has taken all formal or procedural actions (including payment of fees) required to maintain any material Intellectual Property owned by it,

where in any such case failure to own or have licensed to it, infringement or failure to take required formal or procedural actions, has or could be reasonably likely to have a Material Adverse Effect.

#### ***Provision of information – Group***

#### 24.24 Group Structure Chart

The Group Structure Chart delivered to the Agent pursuant to Part I of Schedule 2 (*Conditions precedent*) is true, complete and accurate in all material respects and shows the following information:

- (a) each member of the Group, including current name and (in the case of each Obligor) its company registration number, its Original Jurisdiction (in the case of an Obligor), its jurisdiction of incorporation (in the case of a member of the Group which is not an Obligor) and/or its jurisdiction of establishment, and if Transaction Security is being granted over the shares of that member of the Group, a list of shareholders; and
- (b) all minority interests in any member of the Group over whose shares Transaction Security is being granted.

#### 24.25 Centre of main interests and establishments

For the purposes of The Council of the European Union Regulation No. 1346/2000 on Insolvency Proceedings (the "**Regulation**"), in the case of each Obligor incorporated in the European Union its centre of main interest (as that term is used in Article 3(1) of the Regulation) is situated in its Original Jurisdiction.

#### 24.26 Gestamp Toledo S.L.

The process for converting the corporate form of Gestamp Toledo S.L. to a *Sociedad Anònima* has been commenced.

#### 24.27 Times when representations made

- (a) All the representations and warranties in this Clause 24 are made by each Original Obligor on the date of this Agreement.
- (b) All the representations and warranties in this Clause 24 are deemed to be made by each Obligor on the Closing Date.
- (c) The Repeating Representations are deemed to be made by each Obligor on the date of each Utilisation Request, on each Utilisation Date and on the first day of each Interest Period.
- (d) The representations and warranties in Clause 24.13 (d) (*Original Financial Statements*), shall be made once only on the date of delivery to the Agent of the relevant accounts or financial statements.
- (e) All the representations and warranties in this Clause 24 except Clause 24.12 (*No misleading information*), Clause 24.20 (*Ranking*) to Clause 24.22 (*Shares*) and Clause 24.24 (*Group Structure Chart*), are deemed to be made by each Additional Obligor by reference to itself (and where relevant) its subsidiaries only on the day on which it becomes an Additional Obligor.
- (f) Each representation or warranty deemed to be made after the date of this Agreement shall be deemed to be made by reference to the facts and circumstances existing at the date the representation or warranty is deemed to be made.

#### 25. INFORMATION UNDERTAKINGS

The undertakings in this Clause 25 remain in force from the date of this Agreement for so long as any amount is outstanding under the Finance Documents or any Commitment is in force.

In this Clause 25:

"**Annual Financial Statements**" means the audited consolidated financial statements of the Company for a Financial Year delivered pursuant to paragraph (a) of Clause 25.1 (*Financial statements*).

**"Quarterly Financial Statements"** means the unaudited consolidated financial statements of the Company delivered pursuant to paragraph (b) of Clause 25.1 (*Financial statements*).

## 25.1 Financial statements

The Company shall supply to the Agent in sufficient copies for all the Lenders:

- (a) as soon as they are available, but in any event within 120 days after the end of each of its Financial Years (or 150 days in respect of the Financial Year ending 31 December 2013):
  - (i) its consolidated financial statements for that Financial Year; and
  - (ii) to the extent required to be prepared separately by law, the financial statements (consolidated if appropriate) of each Borrower for that Financial Year, and to the extent that any Lender which is required to obtain such financial statements pursuant to applicable regulation so requests, the audited unconsolidated financial statements of each Obligor; and
- (b) as soon as they are available, but in any event within 60 days after the end of each Financial Quarter of each of its Financial Years (or 90 days in respect of the first Financial Quarter ending after the Closing Date) its consolidated financial statements for that Financial Quarter.

## 25.2 Provision and contents of Compliance Certificate

- (a) The Company shall supply a Compliance Certificate to the Agent with each set of its audited consolidated Annual Financial Statements and, commencing with the Quarterly Financial Statements for the Financial Quarter ending 31 December 2013, with each set of its consolidated Quarterly Financial Statements.
- (b) Each Compliance Certificate shall set out (in reasonable detail) computations as to compliance with Clause 26 (*Financial Covenants*) and the Margin computations set out in the definition "Margin" as at the date as at which those financial statements were drawn up, as well as listing, in the case of a Compliance Certificate delivered with the Annual Financial Statements, each member of the Group which is a Material Company.
- (c) Each Compliance Certificate shall be signed by two directors of the Company and, if required to be delivered with the Annual Financial Statements, shall be reported on by the Company's Auditors in their customary form **provided that** it is then the practice of the Company's auditors to provide such report and provided further that the Agent has entered into any hold harmless letters required by the Auditors.

### 25.3 Requirements as to financial statements

- (a) The Company shall procure that each set of Annual Financial Statements and Quarterly Financial Statements includes a balance sheet, profit and loss account and cashflow statement. In addition the Company shall procure that:
  - (i) each set of Annual Financial Statements shall be audited by the Auditors; and
  - (ii) each set of Annual Financial Statements shall include the notes to the financial statements, a statement of changes in equity and a statement of cashflows and shall be accompanied by a report about the Company made by the Company's management and reviewed by its auditors.
- (b) Each set of Annual Financial Statements or Quarterly Financial Statements delivered pursuant to Clause 25.1 (*Financial statements*):
  - (i) shall be certified by a director of the Company as giving a true and fair view in all material respects of its financial condition and operations as at the date as at which those financial statements were drawn up; and
  - (ii) shall be prepared using the Accounting Principles, accounting practices and financial reference periods consistent with those applied in the preparation of the Original Financial Statements for the Company unless, in relation to any set of financial statements, the Company notifies the Agent that there has been a change in the Accounting Principles or the accounting practices and its Auditors deliver to the Agent:
    - (A) a description of any change necessary for those financial statements to reflect the Accounting Principles or accounting practices upon which the Original Financial Statements were prepared; and
    - (B) sufficient information, in form and substance as may be reasonably required by the Agent, to enable the Lenders to determine whether Clause 26 (*Financial covenants*) has been complied with, to determine the Margin as set out in the definition of "Margin", and to make an accurate comparison between the financial position indicated in those financial statements and the Original Financial Statements (in the case of an Obligor).
- (c) If the Company notifies the Agent of a change in accordance with paragraph (b)(ii) above, then the Company and Agent shall enter into negotiations in good faith with a view to agreeing:
  - (i) whether or not the change might result in any material alteration in the commercial effect of any of the terms of this Agreement; and



- (ii) if so, any amendments to this Agreement which may be necessary to ensure that the change does not result in any material alteration in the commercial effect of those terms,

and if any amendments are agreed they shall take effect and be binding on each of the Parties in accordance with their terms.

If no such agreement is reached within 30 days of that notification of change, the Agent shall (if so requested by the Majority Lenders) instruct the Auditors of the Company or independent accountants (approved by the Company or, in the absence of such approval within 5 Business Days of request by the Agent of such approval, a firm with recognised expertise) to determine any amendment to Clause 26.2 (*Financial condition*), the Margin computations set out in the definition of "Margin", and any other terms of this Agreement which the Auditors or, as the case may be, accountants (acting as experts and not arbitrators) consider appropriate to ensure the change does not result in any material alteration in the commercial effect of the terms of this Agreement. Those amendments shall take effect when so determined by the Auditors, or as the case may be, accountants. The cost and expense of the Auditors or accountants shall be for the account of the Company.

Any reference in this Agreement to any financial statements shall be construed as a reference to those financial statements as adjusted to reflect the basis upon the Original Financial Statements were prepared.

#### **25.4 Year-end**

The Company shall not change its Accounting Reference Date.

#### **25.5 Information: miscellaneous**

The Company shall supply to the Agent (in sufficient copies for all the Lenders, if the Agent so requests):

- (a) at the same time as they are dispatched, copies of all documents required by law to be dispatched by the Company or any Obligor to its creditors generally (or any class of them);
- (b) promptly upon becoming aware of them, the details of any litigation, arbitration or administrative proceedings which might, if adversely determined, have a Material Adverse Effect;
- (c) promptly, such information as the Security Agent may reasonably require about the Charged Property and compliance of the Obligor with the terms of any Transaction Security Documents;
- (d) promptly on request, such further information regarding the financial condition, assets and operations of the Group, the Company or any other Obligor as any Finance Party through the Agent may reasonably request;
- (e) promptly upon becoming aware of them, the details of any claim made to an insurance company under an insurance policy taken out by any Obligor which exceeds EUR 10,000,000 (or its equivalent in any other currency); and

- (f) promptly such further information relating to the business, assets or financial condition of the Group as any Lender through the Agent notifies the Company is required by applicable banking supervisory laws and regulations;

#### 25.6 **Notification of default**

Each Obligor shall notify the Agent of any Default (and the steps, if any, being taken to remedy it) promptly upon becoming aware of its occurrence (unless that Obligor is aware that a notification has already been provided by another Obligor).

#### 25.7 **"Know your customer" checks**

- (a) If:
  - (i) the introduction of or any change in (or in the interpretation, administration or application of) any law or regulation made after the date of this Agreement;
  - (ii) any change in the status of an Obligor or the composition of the shareholders of an Obligor after the date of this Agreement; or
  - (iii) a proposed assignment or transfer by a Lender of any of its rights and/or obligations under this Agreement to a party that is not a Lender prior to such assignment or transfer,

obliges the Agent or any Lender (or, in the case of paragraph (iii) above, any prospective new Lender) to comply with "know your customer" or similar identification procedures in circumstances where the necessary information is not already available to it, each Obligor shall promptly upon the request of the Agent or any Lender supply, or procure the supply of, such documentation and other evidence as is reasonably requested by the Agent (for itself or on behalf of any Lender) or any Lender (for itself or, in the case of the event described in paragraph (iii) above, on behalf of any prospective new Lender) in order for the Agent, such Lender or, in the case of the event described in paragraph (iii) above, any prospective new Lender to carry out and be satisfied it has complied with all necessary "know your customer" or other similar checks under all applicable laws and regulations pursuant to the transactions contemplated in the Finance Documents.

- (b) Each Lender shall promptly upon the request of the Agent supply, or procure the supply of, such documentation and other evidence as is reasonably requested by the Agent (for itself) in order for the Agent to carry out and be satisfied it has complied with all necessary "know your customer" or other similar checks under all applicable laws and regulations pursuant to the transactions contemplated in the Finance Documents.
- (c) Except for any Guarantor listed in Schedule 1 (*The Original Parties*), the Company shall, by not less than 10 Business Days' prior written notice to the Agent, notify the Agent (which shall promptly notify the Lenders) of its intention to request that one of its Subsidiaries becomes an Additional Obligor pursuant to Clause 31 (*Changes to the Obligors*).

- (d) Following the giving of any notice pursuant to paragraph (c) above, if the accession of such Additional Obligor obliges the Agent or any Lender to comply with "know your customer" or similar identification procedures in circumstances where the necessary information is not already available to it, the Company shall promptly upon the request of the Agent or any Lender supply, or procure the supply of, such documentation and other evidence as is reasonably requested by the Agent (for itself or on behalf of any Lender) or any Lender (for itself or on behalf of any prospective new Lender) in order for the Agent or such Lender or any prospective new Lender to carry out and be satisfied it has complied with all necessary "know your customer" or other similar checks under all applicable laws and regulations pursuant to the accession of such Subsidiary to this Agreement as an Additional Obligor.

## 26. FINANCIAL COVENANTS

### 26.1 Financial definitions

In this Agreement:

**"Adjusted EBITDA"** means, in relation to any Relevant Period, EBITDA for that Relevant Period adjusted by:

- (a) including the Operating Results (calculated on the same basis as EBITDA) of a member of the Group for the Relevant Period (or attributable to a business or assets acquired during the Relevant Period) prior to its becoming a member of the Group or (as the case may be) prior to the acquisition of the business or assets; and
- (b) excluding the Operating Results (calculated on the same basis as EBITDA) attributable to any member of the Group (or to any business or assets) disposed of during the Relevant Period **provided that** the consideration for such disposal has been received by the member of the Group making such disposal.

**"Balance Sheet"** means the balance sheet appearing in the Annual Financial Statements.

**"EBITDA"** means the Group's Operating Results plus consolidated depreciation and amortisation and any impairment costs of the Group.

**"Financial Expenses"** means the aggregate amount to be paid as interest for indebtedness contracted by the Group, as well as any commissions, expenses or taxes paid in respect of the Facilities and other loans or credit or endorsements, less the income derived from the assets included in the definition of Net Financial Indebtedness.

**"Indebtedness With Costs"** means long term and short term indebtedness including indebtedness owed to financial institutions, indebtedness incurred by way of issuance of securities, promissory notes, bonds, bonds convertible to stock or similar instruments and indebtedness in respect of credits, discounts or invoices accepted or financial leasing operations.

**"Net Financial Indebtedness"** means the sum of Indebtedness with Costs, Off-Balance-Sheet Operations, any Deferred Consideration in relation to any Permitted Acquisition that exceeds 25% of the consideration payable in respect of such Permitted Acquisition and which pursuant to the acquisition agreement relating to the Permitted Acquisition is permitted to be left outstanding for more than 12 months, and guarantees issued to third parties (excluding those that are intra-Group as well as those issued during the ordinary course of day to day business), minus the amount classified in the balance sheet under the heading "Other Current Financial Assets" in accordance with the Accounting Principles and Cash and Cash Equivalent Investments.

**"Off Balance Sheet Operations"** means any operation that is not reflected directly as indebtedness in the Balance Sheet of the corresponding Annual Financial Statements but that implies for any member of the Group present and/or future commitments that condition the income and/or may imply payments.

**"Operating Results"** has the meaning given to such term in the Accounting Principles.

**"Relevant Period"** means each period of 12 months ending on a Quarter Date.

## 26.2 Financial condition

The Company shall ensure that in respect of each Relevant Period:

- (a) **Interest Cover:** the ratio of EBITDA to Financial Expenses shall not be less than 5.00:1; and
- (b) **Adjusted Leverage:** the ratio of Net Financial Indebtedness as at the end of such Relevant Period to Adjusted EBITDA in respect of such Relevant Period shall not exceed 3.00:1.

## 26.3 Calculation

- (a) The first Relevant Period in respect of which the covenants in Clause 26.2 (*Financial Condition*) will be tested is the Relevant Period ending on 31 December 2013.
- (b) The covenants contained in Clause 26 (*Financial Covenants*) will be tested by reference to the Annual Financial Statements and Quarterly Financial Statements for the Relevant Period and each Compliance Certificate delivered pursuant to Clause 25.2 (*Provision and contents of Compliance Certificate*).
- (c) The definitions referred to in Clause 26.1 (*Financial definitions*) shall, unless otherwise specified, be interpreted in accordance with the Accounting Principles. No item shall be included or excluded more than once in any calculation of the financial covenants under Clause 26.2 (*Financial condition*).

## 27. GENERAL UNDERTAKINGS

The undertakings in this Clause 27 remain in force from the date of this Agreement for so long as any amount is outstanding under the Finance Documents or any Commitment is in force.

### *Authorisations and compliance with laws*

#### 27.1 Authorisations

Each Obligor shall promptly:

- (a) obtain, comply with and do all that is necessary to maintain in full force and effect; and
- (b) if requested by the Agent, supply certified copies to the Agent of,  
any Authorisation required under any law or regulation of its Original Jurisdiction to:
  - (i) enable it to perform its obligations under the Finance Documents;
  - (ii) ensure, subject to the Legal Reservations, the legality, validity, enforceability or admissibility in evidence of any Finance Document; and
  - (iii) carry on its business where failure to do so has or could reasonably be expected to have a Material Adverse Effect.

#### 27.2 Compliance with laws

Each Obligor shall (and the Company shall ensure that each member of the Group will) comply in all respects with all laws to which it may be subject, if failure so to comply has or is reasonably likely to have a Material Adverse Effect.

#### 27.3 Environmental compliance

Each Obligor shall (and the Company shall ensure that each member of the Group will):

- (a) comply with all Environmental Law; and
- (b) obtain, maintain and ensure compliance with all requisite Environmental Permits;

where failure to do so has or could reasonably be expected to have a Material Adverse Effect.

#### **27.4 Sanctions and Anti-corruption law**

- (a) No Obligor shall (and the Company shall ensure that no other member of the Group will) directly or indirectly use the proceeds of the Facilities:
  - (i) for any purpose which would breach the Bribery Act 2010, the United States Foreign Corrupt Practices Act of 1977 or other similar legislation in other jurisdictions where the Group operates or in which any member of the Group is incorporated;
  - (ii) to fund, finance or facilitate any activities, business or transaction of or with any Designated Person or in any Sanctioned Country, or otherwise in violation of Sanctions, as such Sanctions Lists or Sanctions are in effect from time to time; or
  - (iii) in any other manner that will result in the violation of any applicable Sanctions by the Lenders.
- (b) No Obligor shall (and the Company shall ensure that no other member of the Group will) use funds or assets obtained from transactions with or otherwise relating to (i) Designated Persons, or (ii) any Sanctioned Country, to pay or repay any amount under any Finance Document.
- (c) Each Obligor shall (and the Company shall ensure that each other member of the Group will):
  - (i) conduct its business in compliance with Anti-Corruption Laws;
  - (ii) maintain policies and procedures designed to promote and achieve compliance with Anti-Corruption Laws; and
  - (iii) have appropriate controls and safeguards in place designed to prevent any proceeds of the Facilities from being used contrary to the representations and undertakings set forth herein.

#### **27.5 Taxation**

- (a) Each Obligor shall (and the Company shall ensure that each member of the Group will) duly and punctually pay and discharge all Taxes imposed upon it or its assets within the time period allowed without incurring penalties where failure to do so would or would be reasonably likely to have a Material Adverse Effect.
- (b) No Borrower may change its residence for Tax purposes.

### ***Restrictions on business focus***

#### **27.6 Merger**

No Obligor shall (and the Company shall ensure that no other member of the Group will) enter into any amalgamation, demerger, merger, consolidation or corporate reconstruction (a "**Merger**") other than:

- (a) a Permitted Transaction; or
- (b) a Merger which is carried out between members of the Group and where (if it involves one or more Obligors) an Obligor is the surviving entity and is able to fulfil and continue to be bound by its obligations under the Finance Documents after the completion of such Merger, provided always that the Transaction Security is not adversely affected or reduced in any way.

#### **27.7 Change of business**

The Company shall procure that no substantial change is made to the general nature of the business of the Group taken as a whole from that carried on by the Group at the date of this Agreement.

#### **27.8 Acquisitions**

- (a) Except as permitted under paragraph (b) below, no Obligor shall (and the Company shall ensure that no other member of the Group will):
  - (i) acquire a company or any shares or securities or a business or undertaking (or, in each case, any ownership interest in any of them); or
  - (ii) incorporate a company.
- (b) Paragraph (a) above does not apply to an acquisition of a company, of shares, securities or a business or undertaking (or, in each case, any ownership interest in any of them) or the incorporation of a company which is:
  - (i) a Permitted Acquisition; or
  - (ii) a Permitted Transaction.

### ***Restrictions on dealing with assets and Security***

#### **27.9 Joint Venture**

- (a) Except as permitted under paragraph (b) below, no Obligor shall (and the Company shall ensure that no member of the Group will):
  - (i) enter into or invest in or acquire (or agree to acquire) any shares, stocks, securities or other interest in any Joint Venture; or



- (ii) transfer any assets or lend to or guarantee or give an indemnity for or give security for the obligations of a Joint Venture or maintain the solvency of or provide working capital to any Joint Venture (or agree to do any of the foregoing).
- (b) Paragraph (b) above does not apply to any acquisition of (or agreement to acquire) any interest in a Permitted Joint Venture or loan made to or guarantee given in respect of the obligations of a Permitted Joint Venture if such transaction is a Permitted Acquisition, a Permitted Disposal, a Permitted Loan or a Permitted Joint Venture.

#### 27.10 **Pari passu ranking**

Each Obligor shall ensure that at all times any unsecured and unsubordinated claims of a Finance Party against it under the Finance Documents rank at least *pari passu* with the claims of all its other unsecured and unsubordinated creditors except those creditors whose claims are mandatorily preferred by laws of general application to companies.

#### 27.11 **Negative pledge**

In this Clause 27.11, "**Quasi-Security**" means an arrangement or transaction described in paragraph (b) below.

Except as permitted under paragraph (c) below:

- (a) No Obligor shall (and the Company shall ensure that no other member of the Group will) create or permit to subsist any Security over any of its assets.
- (b) No Obligor shall (and the Company shall ensure that no other member of the Group will):
  - (i) sell, transfer or otherwise dispose of any of its assets on terms whereby they are or may be leased to or re-acquired by an Obligor or any other member of the Group;
  - (ii) sell, transfer or otherwise dispose of any of its receivables on recourse terms;
  - (iii) enter into any arrangement under which money or the benefit of a bank or other account may be applied, set-off or made subject to a combination of accounts; or
  - (iv) enter into any other preferential arrangement having a similar effect,

in circumstances where the arrangement or transaction is entered into primarily as a method of raising Financial Indebtedness or of financing the acquisition of an asset.

- (c) Paragraphs (a) and (b) above do not apply to any Security or (as the case may be) Quasi-Security, which is:
  - (i) Permitted Security; or
  - (ii) a Permitted Transaction.

#### 27.12 Disposals

- (a) Except as permitted under paragraph (b) below, no Obligor shall (and the Company shall ensure that no other member of the Group will) enter into a single transaction or a series of transactions (whether related or not) and whether voluntary or involuntary to sell, lease, transfer or otherwise dispose of any asset.
- (b) Paragraph (a) above does not apply to any sale, lease, transfer or other disposal which is:
  - (i) a Permitted Disposal;
  - (ii) a Permitted Transaction; or
  - (iii) a disposal giving effect to a Liabilities Acquisition which is permitted by, and as defined in, the Intercreditor Agreement,

provided always that a sale, transfer or other disposal of any of the shares in any of the companies listed in paragraph (a)(i) of Clause 27.26 (*Conditions subsequent*) or Gestamp Toledo S.L. shall not be permitted as a Permitted Disposal under any of paragraphs (e), (j), (r) or (s) of that definition if subsequent to such sale, transfer or other disposal the Obligors which pledge such shares pursuant to the Spanish Law Share Pledges would cease to directly own at least a majority of the shares and voting rights in these companies.

#### 27.13 Arm's length basis

- (a) Except as permitted by paragraph (b) below, no Obligor shall (and the Company shall ensure that no other member of the Group will) enter into any transaction with any person except on arm's length terms and for full market value or on terms which are more favourable to a member of the Group.
- (b) The following transactions shall not be a breach of this Clause 27.13:
  - (i) a Permitted Distribution;
  - (ii) any Equity Contribution made in compliance with the terms of the Finance Documents;
  - (iii) any payment of any interest of or any repayment of any shareholder loan permitted under this Agreement;

- (iv) fees, costs and expenses payable under the Finance Documents in the amounts set out in the Finance Documents delivered to the Agent under Clause 4.1 (*Initial conditions precedent*) or agreed by the Agent;
- (v) any Permitted Transaction; and
- (vi) any Liabilities Acquisition which is permitted by, and as defined in, the Intercreditor Agreement.

***Restrictions on movement of cash – cash out***

**27.14 Loans or credit**

- (a) Except as permitted under paragraph (b) below, no Obligor shall (and the Company shall ensure that no other member of the Group will) be a creditor in respect of any Financial Indebtedness.
- (b) Paragraph (a) above does not apply to:
  - (i) a Permitted Loan; or
  - (ii) a Permitted Transaction.

**27.15 No Guarantees or indemnities**

- (a) Except as permitted under paragraph (b) below, no Obligor shall (and the Company shall ensure that no other member of the Group will) incur or allow to remain outstanding any guarantee in respect of any obligation of any person.
- (b) Paragraph (a) does not apply to a guarantee which is:
  - (i) a Permitted Guarantee; or
  - (ii) a Permitted Transaction.

**27.16 Dividends and share redemption**

- (a) Except as permitted under paragraph (b) below, the Company shall not:
  - (i) declare, make or pay any dividend, charge, fee or other distribution (or interest on any unpaid dividend, charge, fee or other distribution) (whether in cash or in kind) on or in respect of its share capital (or any class of its share capital);
  - (ii) repay or distribute any dividend or share premium reserve; or
  - (iii) redeem, repurchase, defease, retire or repay any of its share capital or resolve to do so.
- (b) Paragraph (a) above does not apply to:
  - (i) a Permitted Distribution; or

- (ii) a Permitted Transaction (other than one referred to in paragraph (c) of the definition of that term).
- (c) Notwithstanding paragraph (b) above, the Company shall not distribute any dividend on account.

***Restrictions on movement of cash- cash in***

**27.17 Financial Indebtedness**

- (a) Except as permitted under paragraph (b) below, no Obligor shall (and the Company shall ensure that no other member of the Group will) incur or allow to remain outstanding any Financial Indebtedness.
- (b) Paragraph (a) above does not apply to Financial Indebtedness which is:
  - (i) Permitted Financial Indebtedness; or
  - (ii) a Permitted Transaction.
- (c) Notwithstanding paragraph (b) above no member of the Group which is not an Obligor may incur any Financial Indebtedness (excluding any intra-Group indebtedness) if the aggregate principal amount of all Financial Indebtedness (net of any cash held by any members of the Group which are not Obligors) so incurred is in excess of 0.75 times Adjusted EBITDA at the time the relevant Financial Indebtedness is incurred (**provided that** if any such member of the Group subsequently becomes an Obligor any such Financial Indebtedness shall be ignored for the purpose of this calculation).

***Miscellaneous***

**27.18 Insurance**

- (a) Each Obligor shall (and the Company shall ensure that each other member of the Group will) maintain insurances on and in relation to its business and assets against those risks and to the extent as is usual for companies carrying on the same or substantially similar business.
- (b) All insurances must be with reputable independent insurance companies or underwriters.

**27.19 Pensions**

The Company shall ensure that all pension schemes operated by or maintained for the benefit of members of the Group and/or any of their employees are fully funded based on applicable law and regulation where failure to do so has or could reasonably be expected to have a Material Adverse Effect.

**27.20 Access**

If an Event of Default under any of Clauses 28.1 (*Non-payment*), 28.2 (*Financial Covenants*), 28.6 (*Insolvency*), 28.7 (*Insolvency Proceedings*), 28.8 (*Creditor's*

*Process*) and 28.13 (*Audit Qualification*) is continuing or the Agent reasonably suspects an Event of Default under any such clause is continuing, each Obligor shall, and the Company shall ensure that each member of the Group will, (not more than once in every Financial Year unless the Agent reasonably suspects an Event of Default under any such clause is continuing permit the Agent and/or the Security Agent and/or accountants or other professional advisers and contractors of the Agent or Security Agent free access at all reasonable times and on reasonable notice at the risk and cost of the Obligor or Company to (a) the premises, assets, books, accounts and records of each member of the Group and (b) meet and discuss matters with senior management.

#### **27.21 Intellectual Property**

Each Obligor shall (and the Company shall procure that each other member of the Group will):

- (a) preserve and maintain the subsistence and validity of the Intellectual Property necessary for the business of the relevant Group member;
- (b) use reasonable endeavours to prevent any infringement in any material respect of the Intellectual Property;
- (c) make registrations and pay all registration fees and taxes necessary to maintain the Intellectual Property in full force and effect and record its interest in that Intellectual Property;
- (d) not use or permit the Intellectual Property to be used in a way or take any step or omit to take any step in respect of that Intellectual Property which may materially and adversely affect the existence or value of the Intellectual Property or imperil the right of any member of the Group to use such property; and
- (e) not discontinue the use of the Intellectual Property,

where failure to do so, in the case of paragraphs (a), (b) and (c) above, or, in the case of paragraphs (d) and (e) above, such use, permission to use, omission or discontinuation, is reasonably likely to have a Material Adverse Effect.

#### **27.22 Treasury Transactions**

No Obligor shall (and the Company will procure that no other member of the Group will) enter into any Treasury Transaction, other than:

- (a) Interest rate hedging in respect of Financial Indebtedness of the Group and not for speculative purposes;
- (b) spot and forward delivery foreign exchange contracts entered into in the ordinary course of business and not for speculative purposes; and
- (c) any Treasury Transaction entered into for the hedging of actual or projected exposures arising in the ordinary course of trading activities of a member of the Group and not for speculative purposes.

### **27.23 Guarantors**

If any other member of the Group (not being an American Subsidiary or a Subsidiary incorporated in Japan, China, South Korea, India or Taiwan), which is not an Obligor grants a guarantee in respect of Financial Indebtedness in favour of any other third party creditor for an amount of EUR 25,000,000 or more, the Company shall, subject to the Agreed Security Principles, procure that such member of the Group will accede as an Additional Guarantor under this Agreement on the same or a preferential basis. The Company shall notify the Agent of any decision by any member of the Group (not being an American Subsidiary or a Subsidiary incorporated in Japan, China, South Korea, India or Taiwan), which is not an Obligor to grant a guarantee in respect of Financial Indebtedness in favour of any third party creditor for an amount of EUR 25,000,000 or more and shall procure that such member of the Group does not grant such guarantee until it accedes as an Additional Guarantor under this Agreement on the same or a preferential basis (unless such member of the Group is not required to accede as an Additional Guarantor pursuant to the Agreed Security Principles).

### **27.24 Further assurance**

- (a) Subject to the Agreed Security Principles, each Obligor shall (and the Company shall procure that each other member of the Group will) promptly do all such acts or execute all such documents (including assignments, transfers, mortgages, charges, notices and instructions) as the Security Agent may reasonably specify (and in such form as the Security Agent may reasonably require in favour of the Security Agent or its nominee(s)):
  - (i) to perfect the Security created or intended to be created under or evidenced by the Transaction Security Documents (which may include the execution of a mortgage, charge, assignment or other Security over all or any of the assets which are, or are intended to be, the subject of the Transaction Security) or for the exercise of any rights, powers and remedies of the Security Agent or the Finance Parties provided by or pursuant to the Finance Documents or by law; and/or
  - (ii) to facilitate the realisation of the assets which are, or are intended to be, the subject of the Transaction Security.
- (b) Subject to the Agreed Security Principles, each Obligor shall (and the Company shall procure that each other member of the Group will) take all such action as is available to it (including making all filings and registrations) as may be necessary and as are reasonably requested by the Security Agent for the purpose of the creation, perfection, protection or maintenance of any Security conferred or intended to be conferred on the Security Agent or the Finance Parties by or pursuant to the Finance Documents.

### **27.25 Spanish Public Document**

Each Obligor undertakes, at the request of the Security Agent, to grant as many public or private documents as are required in order for any Finance Document and/or any amendments to any of them to be raised to the status of Spanish Public Document.

## 27.26 Conditions subsequent

- (a) The Company shall, and shall procure that where applicable Gestamp Servicios S.A. shall, within 10 Business Days of the Closing Date:
  - (i) grant a notarised Spanish law governed share pledges over the shares held by it in the following Subsidiaries:
    - (A) Gestamp Metalbages S.A.;
    - (B) Gestamp Bizkaia, S.A.;
    - (C) Gestamp Vigo S.A.;
    - (D) Gestamp Palencia S.A.; and
    - (E) Gestamp Servicios S.A.;
  - (ii) provide notifications of the creation of the corresponding Spanish Law Share Pledge to each of the companies listed in paragraph (i) above unless they are a party to the corresponding Spanish Law Share Pledge;
  - (iii) provide a copy of the page of registration in the relevant Spanish Obligor's share registry book (*libro registro de acciones nominativas*) of any pledge over shares (*acciones*) to be attached to the notarial deed;
  - (iv) provide the Security Agent evidence that all the shares issued by the Spanish Obligors and subject to the Spanish Law Share Pledges listed in paragraph (i) above: (A) are registered shares (*acciones nominativas*), (B) have been registered in the relevant share registry book (*libro registro de acciones nominativas*) held by the relevant Spanish Obligor; and (C) are represented by the relevant share certificates (*titulos múltiples*).
  - (v) deliver to the Security Agent:
    - (A) share certificates representing all the issued shares of each Spanish Obligor whose shares are pledged by the Spanish Law Share Pledges detailed in paragraph (i) above, duly endorsed (*endosados en garantía*); and
    - (B) copies of the ownership titles (*títulos de propiedad*) relating to shares pledged by the Spanish Law Share Pledges detailed in paragraph (i) above, duly notarized (*rebaja*).
- (b) The Company shall, as soon as reasonably practicable after the date of this Agreement and in any event within six months of the date of this Agreement procure that (i) Gestamp Toledo S.L. changes its corporate form to a *Sociedad Anónima*; (ii) subject to the Agreed Security Principles, it and Gestamp Servicios S.A. grant Transaction Security over their shares in Gestamp Toledo



S.L. on the same basis as and providing to the Security Agent the same corporate documents and evidence as would have been granted in respect of the remaining Spanish Law Share Pledges; and (iii) Gestamp Toledo S.L. grants Transaction Security over its shares in Gestamp Servicios S.A. on the same basis as and providing to the Security Agent the same corporate documents and evidence as would have been granted in respect of the remaining Spanish law Share Pledges.

- (c) The Company shall ensure that all liabilities under the Temporary Facilities are repaid and discharged in full on or before the date falling two Business Days after the first Utilisation Date.

## 27.27 Limitation of General Undertakings

Notwithstanding the introductory provision to this Clause 27 (but without prejudice to the performance of any of the obligations under this Clause 27 by any Obligor whose Original Jurisdiction is not Germany), the undertakings set out in Clauses 27.6 (*Merger*), 27.7 (*Change of business*), 27.12 (*Disposals*) and 27.16 (*Dividends and share redemption*) (such undertakings, the "**Relevant Undertakings**") are not and shall not be given by any German Obligor. However:

- (a) each German Obligor shall give to the Agent not less than 20 Business Days' prior written notice if it or any of its Subsidiaries proposes to take or permit any action or circumstance which, if all the Relevant Undertakings had been given by that German Obligor on the Closing Date and had thereafter remained in force, would constitute a breach of any of the Relevant Undertakings by a German Obligor. On receipt of any such notice, the Agent shall without undue delay send a copy to each Lender;
- (b) the Agent shall be entitled, within 10 Business Days of receipt of a notice under sub paragraph (a) above, to request that the relevant German Obligor supply to the Agent in sufficient copies for the Lenders, such further relevant information as the Agent (acting reasonably) may consider necessary for the purposes of this Clause 27.27 and such German Obligor shall supply such further information promptly and in any event within 10 Business Days of the date of request therefor;
- (c) if any Lender considers that the relevant action or circumstance (taken alone or together with other actions or circumstances, whether or not permitted hereunder), may have a Material Adverse Effect or materially and adversely affects its interests as a Lender under the Finance Documents, it may so notify the Agent in writing;
- (d) if, by not later than the date 10 Business Days after receipt by the Agent of a notice pursuant to sub paragraph (a) above (or, if later and additional information has been requested pursuant to sub paragraph (b) above, by not later than the date 10 Business Days after receipt by the Agent of such additional information if received within the prescribed time or the date 10 Business Days after the request therefor if not), the Agent has received notices pursuant to sub paragraph (c) above from Lenders which constitute Majority Lenders, the Agent shall promptly notify the Company and the Lenders; and

- (e) if the Agent gives notice to the Borrower pursuant to sub paragraph (d) above or the relevant action is undertaken by any German Obligor or any of its subsidiaries or circumstance is permitted before the date two Business Days after the latest time for the receipt by the Agent of notices pursuant to sub paragraph (d) above, the undertaking of the relevant action or permitting of the relevant circumstances shall immediately constitute an Event of Default **provided that**, for the avoidance of doubt, no failure of any German Obligor to duly perform or comply with any obligation under a Relevant Undertaking shall of itself constitute an Event of Default.

## 28. EVENTS OF DEFAULT

Each of the events or circumstances set out in this Clause 28 is an Event of Default (save for Clause 28.18 (*Acceleration and/or Other Remedies*)).

### 28.1 Non-payment

An Obligor does not pay on the due date any amount payable pursuant to a Finance Document at the place at and in the currency in which it is expressed to be payable unless:

- (a) its failure to pay is caused by:
  - (i) administrative or technical error; or
  - (ii) a Disruption Event; and
- (b) payment is made within three Business Days of its due date.

### 28.2 Financial covenants

- (a) Subject to paragraph (b) below, any requirement of Clause 26 (*Financial covenants*) is not satisfied.
- (b) No Event of Default will occur under paragraph (a) above with respect to the financial covenants in Clause 26 (*Financial Covenants*) if prior to, or within 20 Business Days after, the date that the Compliance Certificate for the Relevant Period in which such failure to comply was first evidenced is due to be delivered in accordance with Clause 25.2 (*Provision and Contents of Compliance Certificate*), the Company receives the proceeds of an Equity Contribution from any Equity Investor or other shareholder in an amount at least sufficient to ensure that the financial covenants in Clause 26 (*Financial Covenants*) would be complied with if tested again as at the last day of the same Relevant Period on the basis that the full amount of any Equity Contribution so provided in accordance with this paragraph (b) shall be included for the Relevant Period as if provided immediately prior to the last date of such Relevant Period (the “**First Relevant Period**”) by giving effect to the following adjustments (the “**Adjustments**”):
  - (i) Net Financial Indebtedness will be reduced by the amount of the Equity Contribution; and

- (ii) Financial Expenses will be reduced as if the Term Loans had been repaid *pro rata* by the Equity Contribution for the duration of that Relevant Period,

and provided in relation to any such Equity Contribution so provided in accordance with this paragraph (b):

- (A) the Company shall not be entitled to exercise any rights it may have to prevent or cure breaches of financial covenants in more than two consecutive Relevant Periods and on more than three occasions over the life of the Facilities;
- (B) any Equity Contribution so provided and any adjustments made shall not apply when calculating the applicable Margin for any relevant period;
- (C) the Company shall procure that an amount equal to not less than 50 per cent. of the amount of any Equity Contribution (but excluding for this purpose any amount that exceeds the minimum amount required to ensure that the financial covenants in Clause 26 (*Financial Covenants*) would be complied with if tested again as at the last day of the same Relevant Period) so provided is immediately applied in mandatory prepayment of Facility A and Facility B *pro rata*;
- (D) any Equity Contribution so provided in respect of any Relevant Period shall be deemed to have been provided immediately prior to the last date of such Relevant Period and shall be included in all relevant covenant calculations until such date it was deemed provided falls outside the subsequent Relevant Period, **provided that** (1) for each such Relevant Period other than the First Relevant Period Net Financial Indebtedness will be calculated on the basis of the actual Net Financial Indebtedness at the end of such Relevant Period and (2) with respect to each of Net Financial Indebtedness and Financial Expenses, without double counting the *pro forma* benefit applied as a result of the Adjustments and the actual or adjusted amount reflected in Net Financial Indebtedness and Financial Expenses as a result of any such Equity Contribution that remains or is deemed to be on the balance sheet;
- (E) any Equity Contribution so provided shall not count towards any other threshold permission or usage under or in respect of the Finance Documents;
- (F) in relation to any Equity Contribution so provided prior to the date of delivery of the relevant Compliance Certificate for the Relevant Period, the Compliance Certificate for that Relevant Period shall set out the revised financial covenants for the Relevant Period by giving effect to the adjustments set out

above and confirming that such Equity Contribution has been provided;

- (G) any Equity Contribution made to effect a cure of the financial covenants may exceed the amount required to rectify or cure the breach;
  - (H) in relation to any such Equity Contribution so provided following the date of delivery of the relevant Compliance Certificate for the Relevant Period, immediately following the proceeds of that Equity Contribution being provided to it, the Company provides a revised Compliance Certificate to the Agent setting out the revised financial covenants for the Relevant Period by giving effect to the adjustments in this paragraph (b); and
  - (I) if, after giving effect to the adjustments in this paragraph (b), the requirements of the relevant financial covenants in Clause 26 (*Financial Covenants*) are met, then the requirements thereof shall be deemed to have been satisfied at the relevant original date of determination as though there has been no failure to comply with such requirements and any Default or Event of Default occasioned thereby shall be deemed to have been remedied for the purposes of the Finance Documents.
- (c) If a financial covenant set out in Clause 26 (*Financial Covenants*) has been breached, but is complied with when tested for the next Relevant Period (the “**Second Period**”), then the prior breach of such financial covenant or any Event of Default arising therefrom shall no longer be outstanding or continuing for the purposes of the Finance Documents unless the Agent or the Security Agent has taken any action referred to in Clause 28.18 (*Acceleration and/or Other Remedies*) before delivery of the Compliance Certificate in respect of the Second Period.

### 28.3 Other obligations

- (a) An Obligor does not comply with any provision of the Finance Documents (other than those referred to in Clause 28.1 (*Non-payment*) and Clause 28.2 (*Financial covenants*)).
- (b) No Event of Default under paragraph (a) above will occur if the failure to comply is capable of remedy and is remedied within 20 Business Days of the earlier of (i) the Agent giving notice to the Company and (ii) the Company or an Obligor becoming aware of the failure to comply.

### 28.4 Misrepresentation

- (a) Any representation or statement made or deemed to be made by an Obligor in the Finance Documents or any other document delivered by or on behalf of any Obligor under or in connection with any Finance Document is or proves to

have been incorrect or misleading in any material respect when made or deemed to be made.

- (b) No Event of Default under paragraph (a) above will occur if the circumstances giving rise to the misrepresentation are capable of remedy, and are remedied within 20 Business Days of the earlier of (i) the Agent giving notice to the Company and (ii) the Company or Obligor becoming aware of the misrepresentation.

#### 28.5 Cross default

- (a) Any Financial Indebtedness of any member of the Group is not paid when due nor within any originally applicable grace period.
- (b) Any Financial Indebtedness of any member of the Group is declared to be or otherwise becomes due and payable prior to its specified maturity as a result of an event of default (however described).
- (c) Any creditor of any member of the Group becomes entitled to declare any Financial Indebtedness of any member of the Group due and payable prior to its specified maturity as a result of an event of default (however described).
- (d) No Event of Default will occur under this Clause 28.5 if the aggregate amount of Financial Indebtedness or commitment for Financial Indebtedness falling within paragraphs (a) to (c) above is less than EUR 25,000,000 (or its equivalent in any other currency or currencies).

#### 28.6 Insolvency

- (a) An Obligor or Material Company:
  - (i) is unable or admits inability to pay its debts as they fall due (including without limitation within the meaning of article 2 of the Spanish Law 22/2003 dated 9 July on Insolvency);
  - (ii) suspends making payments on any of its debts; or
  - (iii) by reason of actual or anticipated financial difficulties, commences negotiations with one or more of its creditors (excluding any Finance Party in its capacity as such) with a view to rescheduling any of its indebtedness,

and in particular any Obligor or Material Company incorporated in Germany is unable to pay its debts as they fall due (*zahlungsunfähig*) within the meaning of section 17 of the German Insolvency Code (*Insolvenzordnung*) or threatens to become unable to pay its debts (*drohend zahlungsunfähig*) within the meaning of section 18 of the German Insolvency Code (*Insolvenzverordnung*).

- (b) An Obligor or a Material Company incorporated in Germany is over indebted within the meaning of section 19 of the German Insolvency Code (*Insolvenzordnung*).

- (c) A moratorium is declared in respect of any indebtedness of any Obligor or Material Company. If a moratorium occurs, the ending of the moratorium will not remedy any Event of Default caused by that moratorium.
- (d) No Event of Default will occur under this Clause 28.6 in relation to a Material Company unless such Material Company (itself or together with any other Material Company so affected) has earnings before interest, tax, depreciation and amortisation (calculated on the same basis as EBITDA) or gross assets equal to or greater than five per cent. of the EBITDA or gross assets of the Group. For the avoidance of doubt the provisions of this paragraph (d) shall not override any Event of Default in respect of an Obligor pursuant to paragraphs (a), (b) or (c) above.

## 28.7 Insolvency proceedings

- (a) Any corporate action, legal proceedings or other formal procedure or step is taken in relation to:
  - (i) the suspension of payments, a moratorium of any indebtedness, winding-up, dissolution, administration or reorganisation (by way of voluntary arrangement, scheme of arrangement or otherwise) of any Obligor or Material Company;
  - (ii) the filing by any third party for a petition of necessary insolvency (*concurso necesario*) in relation to any Obligor or Material Company;
  - (iii) the opening of insolvency proceedings or pre-insolvency proceedings in accordance with article 5 bis of the Spanish Law 22/2003 dated 9 July on Insolvency;
  - (iv) a composition, compromise, assignment or arrangement with any creditor of any Obligor or Material Company; or
  - (v) the appointment of a liquidator, receiver, administrative receiver, administrator, compulsory manager or other similar officer in respect of any Obligor or Material Company or any of its assets; or any analogous procedure or step is taken in any jurisdiction (including, without limitation, the making of an application for the opening of insolvency proceedings for the reasons set out in section 17 to 19 of the German Insolvency Code (*Insolvenzordnung*) (*Antrag auf Eröffnung eines Insolvenzverfahrens*)).
- (b) Paragraph (a) shall not apply to any step or procedure contemplated by paragraph (b) of the definition of "Permitted Transaction".
- (c) No Event of Default will occur under this Clause 28.7 in relation to a Material Company unless such Material Company (itself or together with any other Material Company so affected) has earnings before interest, tax, depreciation and amortisation (calculated on the same basis as EBITDA) or gross assets equal to or greater than five per cent. of the EBITDA or gross assets of the Group. For the avoidance of doubt the provisions of this paragraph (c) shall

not override any Event of Default in respect of an Obligor pursuant to paragraphs (a) or (b) above.

#### **28.8 Creditors' process**

Any expropriation, attachment, sequestration, distress or execution or any analogous process in any jurisdiction affects any asset or assets of an Obligor or Material Company having an aggregate value of EUR 25,000,000 and is not discharged or stayed within 28 days.

#### **28.9 Unlawfulness and invalidity**

- (a) It is or becomes unlawful for an Obligor or any other member of the Group or any shareholder of any member of the Group that is a party to the Intercreditor Agreement to perform any of its obligations under the Finance Documents in circumstances or to an extent which is materially prejudicial to the interests of the Finance Parties under the Finance Documents or (other than as a result of any release given in accordance with the Finance Documents) any Transaction Security created or expressed to be created or evidenced by the Transaction Security Documents ceases to be effective or any subordination created under the Intercreditor Agreement is or becomes unlawful.
- (b) Any obligation or obligations of any Obligor under any Finance Documents or any other member of the Group under the Intercreditor Agreement are not (subject to the Legal Reservations) or cease to be legal, valid, binding or enforceable and the cessation individually or cumulatively materially and adversely affects the interests of the Lenders under the Finance Documents.
- (c) Any Finance Document ceases to be in full force and effect or any Transaction Security or any subordination created under the Intercreditor Agreement ceases to be legal, valid, binding, enforceable or effective or is alleged by an Obligor or other member of the Group or any Equity Investor or Equity Investor Affiliate (each as defined in the Intercreditor Agreement) to be ineffective.

#### **28.10 Intercreditor Agreement**

- (a) Any Obligor or member of the Group or any Equity Investor or Equity Investor Affiliate (each as defined in the Intercreditor Agreement) that is a party to the Intercreditor Agreement fails to comply with the provisions of, or does not perform its obligations under, the Intercreditor Agreement; or
- (b) a representation or warranty given by that party in the Intercreditor Agreement is incorrect in any material respect,

and, if the non-compliance or circumstances giving rise to the misrepresentation are capable of remedy, it is not remedied within 20 Business Days of the earlier of the Agent giving notice to that party or that party becoming aware of the non-compliance or misrepresentation.

#### **28.11 Cessation of business**

Any Obligor or Material Company suspends or ceases to carry on (or threatens to suspend or cease to carry on) all or a material part of its business except as a result of a Permitted Disposal or a Permitted Transaction and such suspension or cessation or threat has or could reasonably be expected to have a Material Adverse Effect.

#### **28.12 Change of ownership**

After the Closing Date, the Company ceases to own directly or indirectly, the percentage of the shares in any Obligor which it owned, directly or indirectly, on the Closing Date, except as a result of a disposal which is a Permitted Disposal or a Permitted Transaction.

#### **28.13 Audit qualification**

The Auditors of the Group qualify the audited annual consolidated financial statements of the Company in any material respect, including if the opinion expressed in the auditor's report is qualified as an "unfavourable opinion", as a "disclaimer opinion" or as "opinion denied" according to the Accounting Principles.

#### **28.14 Expropriation**

The authority or ability of any member of the Group to conduct its business is limited to an extent which has or is reasonably likely to have a Material Adverse Effect or wholly or substantially curtailed by any seizure, expropriation, nationalisation, intervention, restriction or other action by or on behalf of any governmental, regulatory or other authority or other person in relation to any member of the Group or any of its assets, and such seizure, expropriation, nationalisation, intervention, restriction or other action has or is reasonably likely to have a Material Adverse Effect.

#### **28.15 Repudiation and rescission of agreements**

- (a) An Obligor rescinds or purports to rescind or repudiates or purports to repudiate a Finance Document to which it is a party or any of the Transaction Security or evidences an intention to rescind or repudiate a Finance Document or any Transaction Security.
- (b) Any member of the Group or any direct or indirect shareholder of a member of the Group rescinds or purports to rescind or repudiates or purports to repudiate the Intercreditor Agreement in whole or in part where to do so has or is, in the reasonable opinion of the Majority Lenders, likely to have a material adverse effect on the interests of the Lenders under the Finance Documents.

#### **28.16 Litigation**

Any litigation, arbitration, administrative, governmental, regulatory or other investigations, proceedings or disputes are commenced or threatened in relation to the Finance Documents or the transactions contemplated in the Finance Documents or against any member of the Group or its assets and which in any case is reasonably



likely to be adversely determined to it and which if so adversely determined would have a Material Adverse Effect.

**28.17 Material adverse change**

Any event or circumstance occurs which has or is reasonably likely to have a Material Adverse Effect.

**28.18 Acceleration and/or Other Remedies**

On and at any time after the occurrence of an Event of Default which is continuing the Agent shall if so directed by the Majority Lenders, by notice to the Company:

- (a) cancel the Total Commitments and/or Ancillary Commitments at which time they shall immediately be cancelled;
- (b) declare that all or part of the Utilisations, together with accrued interest, and all other amounts accrued or outstanding under the Finance Documents be immediately due and payable, at which time they shall become immediately due and payable;
- (c) declare that all or part of the Utilisations be payable on demand, at which time they shall immediately become payable on demand by the Agent on the instructions of the Majority Lenders;
- (d) declare that cash cover in respect of each Letter of Credit is immediately due and payable at which time it shall become immediately due and payable;
- (e) declare that cash cover in respect of each Letter of Credit is payable on demand at which time it shall immediately become due and payable on demand by the Agent on the instructions of the Majority Lenders;
- (f) declare all or any part of the amounts (or cash cover in relation to those amounts) outstanding under the Ancillary Facilities to be immediately due and payable at which time they shall become immediately due and payable;
- (g) declare that all or any part of the amounts (or cash cover in relation to those amounts) outstanding under the Ancillary Facilities be payable on demand, at which time they shall immediately become payable on demand by the Agent on the instructions of the Majority Lenders; and/or
- (h) after making demand for payment of any amount outstanding under the Finance Documents, exercise or direct the Security Agent to exercise any or all of its rights, remedies, powers or discretions under the Finance Documents.

## SECTION 9 CHANGES TO PARTIES

### 29. CHANGES TO THE LENDERS

#### 29.1 Assignments and transfers by the Lenders

Subject to this Clause 29 and to Clause 30 (*Debt Purchase Transactions*), a Lender (the "**Existing Lender**") may:

- (a) assign any of its rights; or
- (b) transfer by novation any of its rights and obligations,

under any Finance Document to another bank or financial institution or to a trust, fund or other entity which is regularly engaged in or established for the purpose of making, purchasing or investing in loans, securities or other financial assets or other entity approved by the Company (the "**New Lender**").

#### 29.2 Conditions of assignment or transfer

- (a) An Existing Lender must consult with the Company for not less than five Business Days before it may make an assignment or transfer in accordance with Clause 29.1 (*Assignments and transfers by the Lenders*) unless the assignment or transfer is:
  - (i) to another Lender or an Affiliate of a Lender;
  - (ii) if the Existing Lender is a fund, to a fund which is a Related Fund of the Existing Lender; or
  - (iii) made at a time when an Event of Default is continuing.
- (b) No assignment or transfer may be made to a Defaulting Lender without the prior consent of the Company. The consent of the Issuing Bank is required for any assignment or transfer by an Existing Lender of any of its rights and/or obligations under the Revolving Facility.
- (c) The consent of the Company is required for any assignment or transfer by an Existing Lender of any of its rights and/or obligations under the Revolving Facility unless the assignment or transfer is:
  - (i) to a New Lender (other than an Affiliate of a Lender) which has a rating for its long-term unsecured and non credit-enhanced debt obligations of BB or higher by Standard & Poor's Rating Services or Fitch Ratings Ltd or Ba2 or higher by Moody's Investors Service Limited or a comparable rating from an internationally recognised credit rating agency; or
  - (ii) made at a time when an Event of Default is continuing.

- (d) An assignment or transfer of part of a Lender's participation must be:
  - (i) in the case of Facility A or the Revolving Facility a minimum amount of EUR 2,500,000 or in the case of Facility B a minimum amount of EUR 1,000,000 (or if less, its remaining Commitments); and
  - (ii) in an amount such that the Base Currency Amount of that Lender's remaining participation (when aggregated with its Affiliates' and Related Funds' participation) in respect of Commitments or Utilisations made under (A) Facility A and the Revolving Facility is in a minimum amount of EUR 5,000,000 and (B) Facility B is in a minimum amount of EUR 2,000,000.
- (e) The consent of the Company to an assignment or transfer must not be unreasonably withheld or delayed. The Company will be deemed to have given its consent ten Business Days after the Existing Lender has requested it unless consent is expressly refused by the Company within that time.
- (f) (Other than in the case of an assignment permitted by paragraph (b) of Clause 30.1 (*Permitted Debt Purchase Transactions*)) an assignment will only be effective on:
  - (i) receipt by the Agent (whether in the Assignment Agreement or otherwise) of written confirmation from the New Lender (in form and substance satisfactory to the Agent) that the New Lender will assume the same obligations to the other Finance Parties and the other Secured Parties as it would have been under if it was an Original Lender;
  - (ii) the New Lender entering into the documentation required for it to accede as a party to the Intercreditor Agreement; and
  - (iii) the performance by the Agent of all necessary "know your customer" or other similar checks under all applicable laws and regulations in relation to such assignment to a New Lender, the completion of which the Agent shall promptly notify to the Existing Lender and the New Lender.
- (g) A transfer will only be effective if the New Lender enters into the documentation required for it to accede as a party to the Intercreditor Agreement and if the procedure set out in Clause 29.5 (*Procedure for transfer*) is complied with.
- (h) The Group shall not be required to bear any costs or fees or taxes incurred in relation to any transfer or assignment by a lender under any Finance Documents, including any costs or fees or taxes required to be incurred to ensure that a New Lender benefits from the Transaction Security. This paragraph (f) shall not apply in respect of an assumption, assignment or transfer made prior to the Closing Date in the ordinary course of primary syndication.

- (i) If:
  - (i) a Lender assigns or transfers any of its rights or obligations under the Finance Documents or changes its Facility Office; and
  - (ii) as a result of circumstances existing at the date the assignment, transfer or change occurs, an Obligor would be obliged to make a payment to the New Lender or Lender acting through its new Facility Office under Clause 19 (*Increased Costs*),

then the New Lender or Lender acting through its new Facility Office is only entitled to receive payment under that Clause to the same extent as the Existing Lender or Lender acting through its previous Facility Office would have been if the assignment, transfer or change had not occurred.

- (j) Each New Lender, by executing the relevant Transfer Certificate or Assignment Agreement, confirms, for the avoidance of doubt, that the Agent has authority to execute on its behalf any amendment or waiver that has been approved by or on behalf of the requisite Lender or Lenders in accordance with this Agreement on or prior to the date on which the transfer or assignment becomes effective in accordance with this Agreement and that it is bound by that decision to the same extent as the Existing Lender would have been had it remained a Lender.

### **29.3 Assignment or transfer fee**

Unless the Agent otherwise agrees and excluding an assignment or transfer to an Affiliate of a Lender, the New Lender shall, on the date upon which an assignment or transfer takes effect, pay to the Agent (for its own account) a fee of EUR 3,000.

### **29.4 Limitation of responsibility of Existing Lenders**

- (a) Unless expressly agreed to the contrary, an Existing Lender makes no representation or warranty and assumes no responsibility to a New Lender for:
  - (i) the legality, validity, effectiveness, adequacy or enforceability of the Finance Documents, the Transaction Security or any other documents;
  - (ii) the financial condition of any Obligor;
  - (iii) the performance and observance by any Obligor or any other member of the Group of its obligations under the Finance Documents or any other documents; or
  - (iv) the accuracy of any statements (whether written or oral) made in or in connection with any Finance Document or any other document,

and any representations or warranties implied by law are excluded.

- (b) Each New Lender confirms to the Existing Lender, the other Finance Parties and the Secured Parties that it:
  - (i) has made (and shall continue to make) its own independent investigation and assessment of the financial condition and affairs of each Obligor and its related entities in connection with its participation in this Agreement and has not relied exclusively on any information provided to it by the Existing Lender or any other Finance Party in connection with any Finance Document or the Transaction Security; and
  - (ii) will continue to make its own independent appraisal of the creditworthiness of each Obligor and its related entities whilst any amount is or may be outstanding under the Finance Documents or any Commitment is in force.
- (c) Nothing in any Finance Document obliges an Existing Lender to:
  - (i) accept a re-transfer or re-assignment from a New Lender of any of the rights and obligations assigned or transferred under this Clause 29; or
  - (ii) support any losses directly or indirectly incurred by the New Lender by reason of the non-performance by any Obligor of its obligations under the Finance Documents or otherwise.

#### **29.5 Procedure for transfer**

- (a) Subject to the conditions set out in Clause 29.2 (*Conditions of assignment or transfer*) a transfer is effected in accordance with paragraph (c) below when the Agent executes an otherwise duly completed Transfer Certificate delivered to it by the Existing Lender and the New Lender. The Agent shall, subject to paragraph (b) below, as soon as reasonably practicable after receipt by it of a duly completed Transfer Certificate appearing on its face to comply with the terms of this Agreement and delivered in accordance with the terms of this Agreement, execute that Transfer Certificate and provide a copy to the Borrowers.
- (b) The Agent shall only be obliged to execute a Transfer Certificate delivered to it by the Existing Lender and the New Lender once it is satisfied it has complied with all necessary "know your customer" or other similar checks under all applicable laws and regulations in relation to the transfer to such New Lender.
- (c) Subject to Clause 29.9 (*Pro rata interest settlement*), on the Transfer Date:
  - (i) to the extent that in the Transfer Certificate the Existing Lender seeks to transfer by novation its rights and obligations under the Finance Documents and in respect of the Transaction Security each of the Obligors and the Existing Lender shall be released from further obligations towards one another under the Finance Documents and in respect of the Transaction Security and their respective rights against

one another under the Finance Documents and in respect of the Transaction Security shall be cancelled (being the "**Discharged Rights and Obligations**");

- (ii) each of the Obligors and the New Lender shall assume obligations towards one another and/or acquire rights against one another which differ from the Discharged Rights and Obligations only insofar as that Obligor or other member of the Group and the New Lender have assumed and/or acquired the same in place of that Obligor and the Existing Lender;
- (iii) the Agent, the Arranger, the Security Agent, the New Lender, the other Lenders, the Issuing Bank and any relevant Ancillary Lender shall acquire the same rights and assume the same obligations between themselves and in respect of the Transaction Security as they would have acquired and assumed had the New Lender been an Original Lender with the rights, and/or obligations acquired or assumed by it as a result of the transfer and to that extent the Agent, the Arranger, the Security Agent, the Issuing Bank and any relevant Ancillary Lender and the Existing Lender shall each be released from further obligations to each other under the Finance Documents; and
- (iv) the New Lender shall become a Party as a "Lender".

#### 29.6 Procedure for assignment

- (a) Subject to the conditions set out in Clause 29.2 (*Conditions of assignment or transfer*) an assignment may be effected in accordance with paragraph (c) below when the Agent executes an otherwise duly completed Assignment Agreement delivered to it by the Existing Lender and the New Lender. The Agent shall, subject to paragraph (b) below, as soon as reasonably practicable after receipt by it of a duly completed Assignment Agreement appearing on its face to comply with the terms of this Agreement and delivered in accordance with the terms of this Agreement, execute that Assignment Agreement.
- (b) The Agent shall only be obliged to execute an Assignment Agreement delivered to it by the Existing Lender and the New Lender once it is satisfied it has complied with all necessary "know your customer" or other similar checks under all applicable laws and regulations in relation to the assignment to such New Lender.
- (c) Subject to Clause 29.9 (*Pro rata interest settlement*), on the Transfer Date:
  - (i) the Existing Lender will assign absolutely to the New Lender its rights under the Finance Documents and in respect of the Transaction Security expressed to be the subject of the assignment in the Assignment Agreement;
  - (ii) the Existing Lender will be released from the obligations (the "**Relevant Obligations**") expressed to be the subject of the release in

the Assignment Agreement (and any corresponding obligations by which it is bound in respect of the Transaction Security); and

(iii) the New Lender shall become a Party as a "Lender" and will be bound by obligations equivalent to the Relevant Obligations.

(d) Lenders may utilise procedures other than those set out in this Clause 29.6 to assign their rights under the Finance Documents (but not, without the consent of the relevant Obligor or unless in accordance with Clause 29.5 (*Procedure for transfer*), to obtain a release by that Obligor from the obligations owed to that Obligor by the Lenders nor the assumption of equivalent obligations by a New Lender) **provided that** they comply with the conditions set out in Clause 29.2 (*Conditions of assignment or transfer*).

#### **29.7 Copy of Transfer Certificate, Assignment Agreement, Increase Confirmation or Additional Lender Accession Letter to Company**

The Agent shall, as soon as reasonably practicable after it has executed a Transfer Certificate, an Assignment Agreement, an Increase Confirmation or an Additional Lender Accession Letter, send to the Company a copy of that Transfer Certificate, Assignment Agreement, Increase Confirmation, or Additional Lender Accession Letter.

#### **29.8 Security over Lenders' rights**

In addition to the other rights provided to Lenders under this Clause 29, each Lender may without consulting with or obtaining consent from any Obligor, at any time charge, assign or otherwise create Security in or over (whether by way of collateral or otherwise) all or any of its rights under any Finance Document to secure obligations of that Lender including, without limitation:

- (a) any charge, assignment or other Security to secure obligations to a federal reserve or central bank; and
- (b) in the case of any Lender which is a fund, any charge, assignment or other Security granted to any holders (or trustee or representatives of holders) of obligations owed, or securities issued, by that Lender as security for those obligations or securities,

except that no such charge, assignment or Security shall:

- (i) release a Lender from any of its obligations under the Finance Documents or substitute the beneficiary of the relevant charge, assignment or other Security for the Lender as a party to any of the Finance Documents; or
- (ii) require any payments to be made by an Obligor or grant to any person any more extensive rights than those required to be made or granted to the relevant Lender under the Finance Documents.

## 29.9 Pro rata interest settlement

- (a) If the Agent has notified the Lenders that it is able to distribute interest payments on a "*pro rata* basis" to Existing Lenders and New Lenders then (in respect of any transfer pursuant to Clause 29.5 (*Procedure for transfer*) or any assignment pursuant to Clause 29.6 (*Procedure for assignment*) the Transfer Date of which, in each case, is after the date of such notification and is not on the last day of an Interest Period):
  - (i) any interest or fees in respect of the relevant participation which are expressed to accrue by reference to the lapse of time shall continue to accrue in favour of the Existing Lender up to but excluding the Transfer Date ("**Accrued Amounts**") and shall become due and payable to the Existing Lender (without further interest accruing on them) on the last day of the current Interest Period (or, if the Interest Period is longer than six Months, on the next of the dates which falls at six Monthly intervals after the first day of that Interest Period); and
  - (ii) the rights assigned or transferred by the Existing Lender will not include the right to the Accrued Amounts so that, for the avoidance of doubt:
    - (A) when the Accrued Amounts become payable, those Accrued Amounts will be payable for the account of the Existing Lender; and
    - (B) the amount payable to the New Lender on that date will be the amount which would, but for the application of this Clause 29.9, have been payable to it on that date, but after deduction of the Accrued Amounts.
- (b) In this Clause 29.9 references to "Interest Period" shall be construed to include a reference to any other period for accrual of fees.

## 29.10 Preservation of security

Subject to the terms of this Agreement and for the purposes of article 1,528 of the Spanish Civil Code, each Party agrees that upon transfer by way of novation (*venta o cesión*), the obligations of each Obligor and the Transaction Security shall be preserved for the benefit of the Existing Lender (where applicable), the Security Agent and the New Lender.

## 29.11 Additional Lenders

A bank or financial institution which is to be an Additional Lender shall only become a party to this Agreement as a Lender if it has executed and delivered to the Agent an Additional Lender Accession Letter and the Agent has counter-signed the same (which the Agent agrees to do promptly upon its receipt of the relevant Additional Lender Accession Letter) and is a party to the Intercreditor Agreement as a Senior Facility Lender.



## 30. DEBT PURCHASE TRANSACTIONS

### 30.1 Permitted Debt Purchase Transactions

- (a) The Company shall not, and shall procure that each other member of the Group shall not (i) enter into any Debt Purchase Transaction other than in accordance with the other provisions of this Clause 30.1 or (ii) beneficially own all or any part of the share capital of a company that is a Lender or a party to a Debt Purchase Transaction of the type referred to in paragraphs (b) or (c) of the definition of "Debt Purchase Transaction".
- (b) A Borrower may purchase by way of assignment, pursuant to Clause 29 (*Changes to the Lenders*), a participation in any Term Loan in respect of which it is the borrower and any related Commitment where:
  - (i) such purchase is made for a consideration of less than par;
  - (ii) such purchase is made using one of the processes set out at paragraphs (c) and (d) below;
  - (iii) such purchase is made at a time when no Default is continuing; and
  - (iv) such purchase is funded using:
    - (A) the proceeds of any Equity Contribution;
    - (B) any Flotation Proceeds not required to be applied in prepayment under paragraph (d)(ii) of Clause 12.1 (*Exit*), **provided that** such amount has not been applied for any other purpose; or
    - (C) any Disposal Proceeds not required to be applicable in prepayment under paragraph (b) of Clause 12.2 (*Disposal and Insurance Proceeds*) **provided that** such amount has not been applied for any other purpose; or
    - (D) any amount which could have been paid as Permitted Distribution pursuant to paragraph (b) of the definition of that term but has not been and is not committed to be so paid.
- (c)
  - (i) A Debt Purchase Transaction referred to in paragraph (b) above may be entered into pursuant to a solicitation process (a "**Solicitation Process**") which is carried out as follows.
  - (ii) Prior to 11.00 am on a given Business Day (the "**Solicitation Day**") the Company or a financial institution acting on its behalf (the "**Purchase Agent**") will approach at the same time each Lender which participates in the relevant Term Facilities to enable them to offer to sell to the relevant Borrower(s) an amount of their participation in one or more Term Facilities. Any Lender wishing to make such an offer

shall, by 11.00 am on the second Business Day following such Solicitation Day, communicate to the Purchase Agent details of the amount of its participations, and in which Term Facilities, it is offering to sell and the price at which it is offering to sell such participations. Any such offer shall be irrevocable until 11.00 am on the third Business Day following such Solicitation Day and shall be capable of acceptance by the Company on behalf of the relevant Borrower(s) on or before such time by communicating its acceptance in writing to the Purchase Agent or, if it is the Purchase Agent, the relevant Lenders. The Purchase Agent (if someone other than the Company) will communicate to the relevant Lenders which offers have been accepted by 12 noon on the third Business Day following such Solicitation Day. In any event by 11.00 am on the fourth Business Day following such Solicitation Date, the Company shall notify the Agent of the amounts of the participations purchased through the relevant Solicitation Process, the identity of the Term Facilities to which they relate and the average price paid for the purchase of participations in each relevant Term Facility. The Agent shall disclose such information to any Lender that requests such disclosure.

- (iii) Any purchase of participations in the Term Facilities pursuant to a Solicitation Process shall be completed and settled on or before the fifth Business Day after the relevant Solicitation Day.
- (iv) In accepting any offers made pursuant to a Solicitation Process the Company shall be free to select which offers and in which amounts it accepts but on the basis that in relation to a participation in a particular Term Facility it accepts offers in inverse order of the price offered (with the offer or offers at the lowest price being accepted first) and that if in respect of participations in a particular Term Facility it receives two or more offers at the same price it shall only accept such offers on a *pro rata* basis.

(d)

- (i) A Debt Purchase Transaction referred to in paragraph (b) above may also be entered into pursuant to an open order process (an "**Open Order Process**") which is carried out as follows.
- (ii) The Company (on behalf of the relevant Borrower(s)) may by itself or through another Purchase Agent place an open order (an "**Open Order**") to purchase participations in one or more of the Term Facilities up to a set aggregate amount at a set price by notifying at the same time all the Lenders participating in the relevant Term Facilities of the same. Any Lender wishing to sell pursuant to an Open Order will, by 11.00 am on any Business Day following the date on which the Open Order is placed but no earlier than the first Business Day, and no later than the fifth Business Day, following the date on which the Open Order is placed, communicate to the Purchase Agent details of the amount of its participations, and in which Term Facilities, it is offering to sell. Any such offer to sell shall be irrevocable until 11.00

am on the Business Day following the date of such offer from the Lender and shall be capable of acceptance by the Company on behalf of the relevant Borrower(s) on or before such time by it communicating such acceptance in writing to the relevant Lender.

- (iii) Any purchase of participations in the Term Facilities pursuant to an Open Order Process shall be completed and settled by the relevant Borrower(s) on or before the fourth Business Day after the date of the relevant offer by a Lender to sell under the relevant Open Order.
  - (iv) If in respect of participations in a Term Facility the Purchase Agent receives on the same Business Day two or more offers at the set price such that the maximum amount of such Term Facility to which an Open Order relates would be exceeded, the Company shall only accept such offers on a *pro rata* basis.
  - (v) The Company shall, by 11.00 am on the sixth Business Day following the date on which an Open Order is placed, notify the Agent of the amounts of the participations purchased through such Open Order Process and the identity of the Term Facilities to which they relate. The Agent shall disclose such information to any Lender that requests the same.
- (e) For the avoidance of doubt, there is no limit on the number of occasions a Solicitation Process or an Open Order Process may be implemented.
- (f) In relation to any Debt Purchase Transaction entered into pursuant to this Clause 30.1, notwithstanding any other term of this Agreement or the other Finance Documents:
- (i) on completion of the relevant assignment pursuant to Clause 29 (*Changes to the Lenders*), the portions of the Term Loans to which it relates shall be extinguished and any related Repayment Instalments will be reduced pro-rata accordingly;
  - (ii) such Debt Purchase Transaction and the related extinguishment referred to in paragraph (i) above shall not constitute a prepayment of the Facilities;
  - (iii) the Borrower which is the assignee shall be deemed to be an entity which fulfils the requirements of Clause 29.1 (*Assignments and transfers by the Lenders*) to be a New Lender;
  - (iv) Clause 34 (*Sharing among the Finance Parties*) shall not be applicable to the consideration paid under such Debt Purchase Transaction; and
  - (v) for the avoidance of doubt, any extinguishment of any part of the Term Loans shall not affect any amendment or waiver which prior to such extinguishment had been approved by or on behalf of the requisite Lender or Lenders in accordance with this Agreement.

30.2 **Disenfranchisement on Debt Purchase Transactions entered into by Equity Investor**

- (a) For so long as an Equity Investor:
  - (i) beneficially owns a Commitment; or
  - (ii) has entered into a sub-participation agreement relating to a Commitment or other agreement or arrangement having a substantially similar economic effect and such agreement or arrangement has not been terminated,

in ascertaining:

- (A) the Majority Lenders or the Super Majority Lenders; or
  - (B) whether:
    - (1) any given percentage (including, for the avoidance of doubt, unanimity) of the Total Commitments; or
    - (2) the agreement of any specified group of Lenders,
- has been obtained to approve any request for a consent, waiver, amendment or other vote under the Finance Documents such Commitment shall be deemed to be zero and such Equity Investor or the person with whom it has entered into such sub-participation, other agreement or arrangement shall be deemed not to be a Lender for the purposes of paragraphs (A) and (B) above (unless in the case of a person not being an Equity Investor it is a Lender by virtue otherwise than by beneficially owning the relevant Commitment).
- (b) Each Lender shall, unless such Debt Purchase Transaction is an assignment or transfer, promptly notify the Agent in writing if it knowingly enters into a Debt Purchase Transaction with an Equity Investor (a "**Notifiable Debt Purchase Transaction**"), such notification to be substantially in the form set out in Part I of Schedule 14 (*Forms of Notifiable Debt Purchase Transaction Notice*).
  - (c) A Lender shall promptly notify the Agent if a Notifiable Debt Purchase Transaction to which it is a party:
    - (i) is terminated; or
    - (ii) ceases to be with an Equity Investor,

such notification to be substantially in the form set out in Part II of Schedule 14 (*Forms of Notifiable Debt Purchase Transaction Notice*).

- (d) Each Equity Investor that is a Lender agrees that:
  - (i) in relation to any meeting or conference call to which all the Lenders are invited to attend or participate, it shall not attend or participate in the same if so requested by the Agent or, unless the Agent otherwise agrees, be entitled to receive the agenda or any minutes of the same; and
  - (ii) in its capacity as Lender, unless the Agent otherwise agrees, it shall not be entitled to receive any report or other document prepared at the request of, or on the instructions of, the Agent or one or more of the Lenders.

## **31. CHANGES TO THE OBLIGORS**

### **31.1 Assignment and transfers by Obligors**

No Obligor may assign any of its rights or transfer any of its rights or obligations under the Finance Documents.

### **31.2 Additional Borrowers**

- (a) Subject to compliance with the provisions of paragraphs (c) and (d) of Clause 25.7 (*"Know your customer" checks*), the Company may request that any of its wholly owned Subsidiaries becomes a Borrower. That Subsidiary shall become a Borrower if:
  - (i) it is incorporated in the same jurisdiction as an existing Borrower or otherwise if all the Lenders under the relevant Facility approve the addition of that Subsidiary;
  - (ii) the Company and that Subsidiary deliver to the Agent a duly completed and executed Accession Deed;
  - (iii) the Subsidiary is (or becomes) a Guarantor at the same time as or prior to becoming a Borrower;
  - (iv) the Company confirms that no Default is continuing or would occur as a result of that Subsidiary becoming an Additional Borrower; and
  - (v) the Agent has received all of the documents and other evidence listed in Part II of Schedule 2 (*Conditions Precedent*) in relation to that Additional Borrower, each in form and substance satisfactory to the Agent (acting reasonably).
- (b) The Agent shall notify the Company and the Lenders promptly upon being satisfied that it has received (in form and substance satisfactory to it) all the documents and other evidence listed in Part II of Schedule 2 (*Conditions Precedent*).

- (c) This Clause 31.2 shall not apply to any Affiliate of a Borrower that becomes a borrower of an Ancillary Facility with the approval of the relevant Ancillary Lender pursuant to Clause 9.8 (*Affiliates of Borrowers*).

### 31.3 **Resignation of a Borrower**

- (a) In this Clause 31.3, Clause 31.5 (*Resignation of a Guarantor*) and Clause 31.7 (*Resignation and release of Security on disposal*), "**Third Party Disposal**" means the disposal of an Obligor to a person which is not a member of the Group where that disposal is permitted under Clause 27.12 (*Disposals*) or made with the approval of the Majority Lenders (and the Company has confirmed this is the case).
- (b) With the prior consent of all the Lenders, if a Borrower is the subject of a Third Party Disposal, the Company may request that a Borrower, or in the case of a Third Party Disposal, the Borrower subject to that Third Party Disposal, in each case other than the Company ceases to be a Borrower by delivering to the Agent a Resignation Letter.
- (c) The Agent shall accept a Resignation Letter and notify the Company and the other Finance Parties of its acceptance if:
  - (i) the Company has confirmed that no Default is continuing or would result from the acceptance of the Resignation Letter;
  - (ii) the Borrower is under no actual or contingent obligations as a Borrower under any Finance Documents;
  - (iii) where the Borrower is also a Guarantor (unless its resignation has been accepted in accordance with Clause 31.5 (*Resignation of a Guarantor*)), its obligations in its capacity as Guarantor continue to be legal, valid, binding and enforceable and in full force and effect (subject to the Legal Reservations) and the amount guaranteed by it as a Guarantor is not decreased (and the Company has confirmed this is the case); and
  - (iv) the Company has confirmed that it shall ensure that any relevant Disposal Proceeds will to the extent required be applied in accordance with Clause 12.2 (*Disposal and Insurance Proceeds*).
- (d) Upon notification by the Agent to the Company of its acceptance of the resignation of a Borrower, that company shall cease to be a Borrower and shall have no further rights or obligations under the Finance Documents as a Borrower except in the case of a Third Party Disposal that the resignation shall not take effect (and the Borrower will continue to have rights and obligations under the Finance Documents) until the date on which the Third Party Disposal takes effect.
- (e) The Agent may, at the cost and expense of the Company, require a legal opinion from counsel to the Agent confirming the matters set out in paragraph (c)(iii) above and the Agent shall be under no obligation to accept a

Resignation Letter until it has obtained such opinion in form and substance satisfactory to it (acting reasonably).

#### 31.4 Additional Guarantors

- (a) Subject to compliance with the provisions of paragraphs (c) and (d) of Clause 25.7 ("*Know your customer*" checks), the Company may request that any of its Subsidiaries become a Guarantor.
- (b) The Company shall ensure that each of Gestamp Toledo S.L., Gestamp Levante S.L., Edscha Burges, S.L. and Edscha Santander, S.L. shall as soon as reasonably practicable after the date of this Agreement and in any event within six months of the date of this Agreement change its corporate form to a *Sociedad Anónima* and subject to the Agreed Security Principles become an Additional Guarantor.
- (c) The Company shall procure that any other member of the Group which is a Material Company (other than (a) any Spanish entity established as an *Agrupación de Interés Económico* or *Sociedad Limitada*, (b) any American Subsidiary and (c) any member of the Group incorporated in India, China, Taiwan, South Korea or Japan) shall, as soon as possible after becoming a Material Company, subject to the Agreed Security Principles become an Additional Guarantor and shall accede to the Intercreditor Agreement.
- (d) A member of the Group shall become an Additional Guarantor if:
  - (i) the Company and the proposed Additional Guarantor deliver to the Agent a duly completed and executed Accession Deed; and
  - (ii) the Agent has received all of the documents and other evidence listed in Part II of Schedule 2 (*Conditions precedent*) in relation to that Additional Guarantor, each in form and substance satisfactory to the Agent (acting reasonably).
- (e) The Agent shall notify the Company and the Lenders promptly upon being satisfied that it has received (in form and substance satisfactory to it (acting reasonably)) all the documents and other evidence listed in Part II of Schedule 2 (*Conditions precedent*).

#### 31.5 Resignation of a Guarantor

- (a) The Company may request that a Guarantor (other than the Company) ceases to be a Guarantor by delivering to the Agent a Resignation Letter if:
  - (i) that Guarantor is being disposed of by way of a Third Party Disposal (as defined in Clause 31.3 (*Resignation of a Borrower*)) and the Company has confirmed this is the case;
  - (ii) such Guarantor is being liquidated, merged or reconstructed as part of a Permitted Transaction under paragraph (b) of that definition and such Guarantor is not the surviving entity; or

- (iii) the Super Majority Lenders have consented to the resignation of that Guarantor.
- (b) Subject to paragraph (a) of clause 17.12 (*Resignation of a Debtor*) of the Intercreditor Agreement, the Agent shall accept a Resignation Letter and notify the Company and the Lenders of its acceptance if:
  - (i) the Company has confirmed that no Default is continuing or would result from the acceptance of the Resignation Letter;
  - (ii) no payment is due from the Guarantor under Clause 23.1 (*Guarantee and indemnity*);
  - (iii) where the Guarantor is also a Borrower, it is under no actual or contingent obligations as a Borrower and has resigned and ceased to be a Borrower under Clause 31.3 (*Resignation of a Borrower*); and
  - (iv) the Company has confirmed that it shall ensure that the Disposal Proceeds will to the extent required be applied in accordance with Clause 12.2 (*Disposal and Insurance Proceeds*).
- (c) In the case of a Third Party Disposal, the resignation of that Guarantor shall not be effective until the date of the relevant Third Party Disposal at which time that company shall cease to be a Guarantor and shall have no further rights or obligations under the Finance Documents as a Guarantor.

### 31.6 Repetition of Representations

Delivery of an Accession Deed constitutes confirmation by the relevant Subsidiary that the representations and warranties referred to in paragraph (e) of Clause 24.27 (*Times when representations made*) are true and correct in relation to it as at the date of delivery as if made by reference to the facts and circumstances then existing.

### 31.7 Resignation and release of Security on disposal

If a Borrower or Guarantor is or is proposed to be the subject of a Third Party Disposal then:

- (a) where that Borrower or Guarantor created Transaction Security over any of its assets or business in favour of the Security Agent and/or any other Secured Party, or Transaction Security in favour of the Security Agent and/or any other Secured Party was created over the shares (or equivalent) of that Borrower or Guarantor, the Security Agent may, at the cost and request of the Company, release for and on its own behalf and for and on behalf of the other Secured Parties those assets, business or shares (or equivalent) and issue certificates of non-crystallisation; and
- (b) any resignation of that Borrower or Guarantor and related release of Transaction Security referred to in paragraph (a) above shall become effective only on the making of that disposal.



**SECTION 10**  
**THE FINANCE PARTIES**

**32. ROLE OF THE AGENT, THE ARRANGER, THE ISSUING BANK AND OTHERS**

**32.1 Appointment of the Agent**

- (a) Each of the Arranger, the Lenders and the Issuing Bank appoints the Agent to act as its agent under and in connection with the Finance Documents.
- (b) Each of the Arranger, the Lenders and the Issuing Bank authorises the Agent to perform the duties, obligations and responsibilities and to exercise the rights, powers, authorities and discretions specifically given to the Agent under or in connection with the Finance Documents together with any other incidental rights, powers, authorities and discretions.
- (c) Each of the Arrangers, the Lenders and the Issuing Bank hereby relieves the Agent from the restrictions pursuant to section 181 Civil Code (*Bürgerliches Gesetzbuch*) and similar restrictions applicable to it pursuant to any other applicable law, in each case to the extent legally possible to such Finance Party. A Finance Party which is barred by its constitutional documents or by-laws from granting such exemption shall notify the Agent accordingly.

**32.2 Instructions**

- (a) The Agent shall:
  - (i) unless a contrary indication appears in a Finance Document, exercise or refrain from exercising any right, power, authority or discretion vested in it as Agent in accordance with any instructions given to it by:
    - (A) all Lenders if the relevant Finance Document stipulates the matter is an all Lender decision;
    - (B) the Super Majority Lenders if the relevant Finance Document stipulates the matter is a Super Majority Lender decision; and
    - (C) in all other cases, the Majority Lenders; and
  - (ii) not be liable for any act (or omission) if it acts (or refrains from acting) in accordance with paragraph (i) above.
- (b) The Agent shall be entitled to request instructions, or clarification of any instruction, from the Majority Lenders (or, if the relevant Finance Document stipulates the matter is a decision for any other Lender or group of Lenders, from that Lender or group of Lenders) as to whether, and in what manner, it should exercise or refrain from exercising any right, power, authority or discretion and the Agent may refrain from acting unless and until it receives those instructions or that clarification.

- (c) Save in the case of decisions stipulated to be a matter for any other Lender or group of Lenders under the relevant Finance Document and unless a contrary indication appears in a Finance Document, any instructions given to the Agent by the Majority Lenders shall override any conflicting instructions given by any other Parties and will be binding on all Finance Parties save for the Security Agent.
- (d) The Agent may refrain from acting in accordance with any instructions of any Lender or group of Lenders until it has received any indemnification and/or security that it may in its discretion require (which may be greater in extent than that contained in the Finance Documents and which may include payment in advance) for any cost, loss or liability which it may incur in complying with those instructions.
- (e) In the absence of instructions, the Agent may act (or refrain from acting) as it considers to be in the best interest of the Lenders.
- (f) The Agent is not authorised to act on behalf of a Lender (without first obtaining that Lender's consent) in any legal or arbitration proceedings relating to any Finance Document. This paragraph (f) shall not apply to any legal or arbitration proceeding relating to the perfection, preservation or protection of rights under the Transaction Security Documents or enforcement of the Transaction Security or Transaction Security Documents.

### 32.3 Duties of the Agent

- (a) The Agent's duties under the Finance Documents are solely mechanical and administrative in nature.
- (b) Subject to paragraph (c) below, the Agent shall promptly forward to a Party the original or a copy of any document which is delivered to the Agent for that Party by any other Party.
- (c) Without prejudice to Clause 29.7 (*Copy of Transfer Certificate, Assignment Agreement or Increase Confirmation to Company*) and paragraph (e) of Clause 7.4 (*Cash Collateral by Non-Acceptable L/C Lender and Borrower's option to provide cash cover*), paragraph (b) above shall not apply to any Transfer Certificate, any Assignment Agreement, any Increase Confirmation or any Additional Lender Accession Letter.
- (d) Except where a Finance Document specifically provides otherwise, the Agent is not obliged to review or check the adequacy, accuracy or completeness of any document it forwards to another Party.
- (e) If the Agent receives notice from a Party referring to this Agreement, describing a Default and stating that the circumstance described is a Default, it shall promptly notify the other Finance Parties.
- (f) If the Agent is aware of the non-payment of any principal, interest, commitment fee or other fee payable to a Finance Party (other than the Agent,

the Arranger or the Security Agent) under this Agreement it shall promptly notify the other Finance Parties.

- (g) The Agent shall provide to the Company within five Business Days of a request by the Company (but no more frequently than once per calendar month), a list (which may be in electronic form) setting out the names of the Lenders as at the that Business Day, their respective Commitments, the address and fax number (and the department or officer, if any, for whose attention any communication is to be made) of each Lender for any communication to be made or document to be delivered under or in connection with the Finance Documents, the electronic mail address and/or any other information required to enable the sending and receipt of information by electronic mail or other electronic means to and by each Lender to whom any communication under or in connection with the Finance Documents may be made by that means and the account details of each Lender for any payment to be distributed by the Agent to that Lender under the Finance Documents.
- (h) The Agent shall have only those duties, obligations and responsibilities expressly specified in the Finance Documents to which it is expressed to be a party (and no others shall be implied).

#### **32.4 Role of the Arranger**

Except as specifically provided in the Finance Documents, the Arranger has no obligations of any kind to any other Party under or in connection with any Finance Document.

#### **32.5 No fiduciary duties**

- (a) Nothing in any Finance Document constitutes the Agent, the Arranger or the Issuing Bank as a trustee or fiduciary of any other person.
- (b) None of the Agent, the Arranger, the Issuing Bank or any Ancillary Lender shall be bound to account to any Lender for any sum or the profit element of any sum received by it for its own account.

#### **32.6 Business with the Group**

The Agent, the Arranger, the Issuing Bank and each Ancillary Lender may accept deposits from, lend money to and generally engage in any kind of banking or other business with any member of the Group.

#### **32.7 Rights and discretions**

- (a) The Agent and the Issuing Bank may:
  - (i) rely on any representation, communication, notice or document (including, without limitation, any notice given by a Lender pursuant to paragraph (b) or (c) of Clause 30.2 (*Disenfranchisement on Debt Purchase Transactions entered into by Equity Investors*)) believed by it to be genuine, correct and appropriately authorised;

- (ii) assume that:
  - (A) any instructions received by it from the Majority Lenders any Lenders or any group of Lenders are duly given in accordance with the terms of the Finance Documents; and
  - (B) unless it has received notice of revocation, that those instructions have not been revoked; and
- (iii) rely on a certificate from any person:
  - (A) as to any matter of fact or circumstance which might reasonably be expected to be within the knowledge of that person; or
  - (B) to the effect that such person approves of any particular dealing, transaction, step, action or thing,

as sufficient evidence that that is the case and, in the case of paragraph (A) above, may assume the truth and accuracy of that certificate.
- (b) The Agent may assume (unless it has received notice to the contrary in its capacity as agent for the Lenders) that:
  - (i) no Default has occurred (unless it has actual knowledge of a Default arising under Clause 28.1 (*Non-payment*));
  - (ii) any right, power, authority or discretion vested in any Party or any group of Lenders has not been exercised;
  - (iii) any notice or request made by the Company (other than a Utilisation Request or Selection Notice) is made on behalf of and with the consent and knowledge of all the Obligors; and
  - (iv) no Notifiable Debt Purchase Transaction:
    - (A) has been entered into;
    - (B) has been terminated; or
    - (C) has ceased to be with an Equity Investor.
- (c) The Agent may engage and pay for the advice or services of any lawyers, accountants, tax advisers, surveyors or other professional advisers or experts.
- (d) Without prejudice to the generality of paragraph (c) above or paragraph (e) below, the Agent may at any time engage and pay for the services of any lawyers to act as independent counsel to the Agent (and so separate from any lawyers instructed by the Lenders) if the Agent in its reasonable opinion deems this to be desirable.

- (e) The Agent may rely on the advice or services of any lawyers, accountants, tax advisers, surveyors or other professional advisers or experts (whether obtained by the Agent or by any other Party) and shall not be liable for any damages, costs or losses to any person, any diminution in value or any liability whatsoever arising as a result of its so relying.
- (f) The Agent may act in relation to the Finance Documents through its officers, employees and agents and the Agent shall not:
  - (i) be liable for any error of judgment made by any such person; or
  - (ii) be bound to supervise, or be in any way responsible for any loss incurred by reason of misconduct, omission or default on the part, of any such person,

unless such error or such loss was directly caused by the Agent's gross negligence or wilful misconduct.
- (g) Unless a Finance Document expressly provides otherwise the Agent may disclose to any other Party any information it reasonably believes it has received as agent under this Agreement.
- (h) Without prejudice to the generality of paragraph (g) above, the Agent:
  - (i) may disclose; and
  - (ii) on the written request of the Company or the Majority Lenders shall, as soon as reasonably practicable, disclose,

the identity of a Defaulting Lender to the Company and to the other Finance Parties.
- (i) Notwithstanding any other provision of any Finance Document to the contrary, none of the Agent, the Arranger or the Issuing Bank is obliged to do or omit to do anything if it would or might in its reasonable opinion constitute a breach of any law or regulation or a breach of a fiduciary duty or duty of confidentiality.
- (j) The Agent is not obliged to disclose to any Finance Party any details of the rate notified to the Agent by any Lender or the identity of any such Lender for the purpose of paragraph (a)(ii) of Clause 16.2 (*Market disruption*).
- (k) Notwithstanding any provision of any Finance Document to the contrary, the Agent is not obliged to expend or risk its own funds or otherwise incur any financial liability in the performance of its duties, obligations or responsibilities or the exercise of any right, power, authority or discretion if it has grounds for believing the repayment of such funds or adequate indemnity against, or security for, such risk or liability is not reasonably assured to it.

### **32.8 Responsibility for documentation**

None of the Agent, the Arranger, the Issuing Bank or any Ancillary Lender is responsible or liable for:

- (a) the adequacy, accuracy or completeness of any information (whether oral or written) supplied by the Agent, the Arranger, the Issuing Bank, an Ancillary Lender, an Obligor or any other person in or in connection with any Finance Document or the transactions contemplated in the Finance Documents or any other agreement, arrangement or document entered into, made or executed in anticipation of, under or in connection with any Finance Document;
- (b) the legality, validity, effectiveness, adequacy or enforceability of any Finance Document or the Transaction Security or any other agreement, arrangement or document entered into, made or executed in anticipation of, under or in connection with any Finance Document or the Transaction Security; or
- (c) for any determination as to whether any information provided or to be provided to any Finance Party is non-public information the use of which may be regulated or prohibited by applicable law or regulation relating to insider dealing or otherwise.

### **32.9 No duty to monitor**

The Agent shall not be bound to enquire:

- (a) whether or not any Default has occurred;
- (b) as to the performance, default or any breach by any Party of its obligations under any Finance Document; or
- (c) whether any other event specified in any Finance Document has occurred.

### **32.10 Exclusion of liability**

- (a) Without limiting paragraph (b) below (and without prejudice to any other provision of any Finance Document excluding or limiting the liability of the Agent, the Issuing Bank or any Ancillary Lender), none of the Agent, the Issuing Bank nor any Ancillary Lender will be liable (including, without limitation, for negligence or any other category of liability whatsoever) for:
  - (i) any damages, costs or losses to any person, any diminution in value, or any liability whatsoever arising as a result of taking or not taking any action under or in connection with any Finance Document or the Transaction Security, unless directly caused by its gross negligence or wilful misconduct;
  - (ii) exercising, or not exercising, any right, power, authority or discretion given to it by, or in connection with, any Finance Document, the Transaction Security or any other agreement, arrangement or document entered into, made or executed in anticipation of, under or in

connection with, any Finance Document or the Transaction Security;  
or

- (iii) without prejudice to the generality of paragraphs (i) and (ii) above, any damages, costs or losses to any person, any diminution in value or any liability whatsoever arising as a result of:

- (A) any act, event or circumstance not reasonably within its control;  
or

- (B) the general risks of investment in, or the holding of assets in, any jurisdiction,

including (in each case and without limitation) such damages, costs, losses, diminution in value or liability arising as a result of: nationalisation, expropriation or other governmental actions; any regulation, currency restriction, devaluation or fluctuation; market conditions affecting the execution or settlement of transactions or the value of assets (including any Disruption Event); breakdown, failure or malfunction of any third party transport, telecommunications, computer services or systems; natural disasters or acts of God; war, terrorism, insurrection or revolution; or strikes or industrial action.

- (b) No Party (other than the Agent, the Issuing Bank or an Ancillary Lender (as applicable)) may take any proceedings against any officer, employee or agent of the Agent, the Issuing Bank or any Ancillary Lender, in respect of any claim it might have against the Agent, the Issuing Bank or an Ancillary Lender or in respect of any act or omission of any kind by that officer, employee or agent in relation to any Finance Document and any officer, employee or agent of the Agent, the Issuing Bank or any Ancillary Lender may rely on this Clause subject to Clause 1.4 (*Third party rights*) and the provisions of the Third Parties Act.
- (c) The Agent will not be liable for any delay (or any related consequences) in crediting an account with an amount required under the Finance Documents to be paid by the Agent if the Agent has taken all necessary steps as soon as reasonably practicable to comply with the regulations or operating procedures of any recognised clearing or settlement system used by the Agent for that purpose.
- (d) Nothing in this Agreement shall oblige the Agent or the Arranger to carry out:
  - (i) any "know your customer" or other checks in relation to any person; or
  - (ii) any check on the extent to which any transaction contemplated by this Agreement might be unlawful for any Lender,

on behalf of any Lender and each Lender confirms to the Agent and the Arranger that it is solely responsible for any such checks it is required to carry out and that it may not rely on any statement in relation to such checks made by the Agent or the Arranger.

- (e) Without prejudice to any provision of any Finance Document excluding or limiting the Agent's liability, any liability of the Agent arising under or in connection with any Finance Document or the Transaction Security shall be limited to the amount of actual loss which has been finally judicially determined to have been suffered (as determined by reference to the date of default of the Agent or, if later, the date on which the loss arises as a result of such default) but without reference to any special conditions or circumstances known to the Agent at any time which increase the amount of that loss. In no event shall the Agent be liable for any loss of profits, goodwill, reputation, business opportunity or anticipated saving, or for special, punitive, indirect or consequential damages, whether or not the Agent has been advised of the possibility of such loss or damages.

### **32.11 Lenders' indemnity to the Agent**

- (a) Each Lender shall (in proportion to its share of the Total Commitments or, if the Total Commitments are then zero, to its share of the Total Commitments immediately prior to their reduction to zero) indemnify the Agent, within three Business Days of demand, against any cost, loss or liability (including, without limitation, for negligence or any other category of liability whatsoever) incurred by the Agent (otherwise than by reason of the Agent's gross negligence or wilful misconduct or deliberate breach of the terms of this Agreement) (or, in the case of any cost, loss or liability pursuant to Clause 35.11 (*Disruption to Payment Systems etc.*) notwithstanding the Agent's negligence, gross negligence or any other category of liability whatsoever but not including any claim based on the fraud of the Agent) in acting as Agent under the Finance Documents (unless the Agent has been reimbursed by an Obligor pursuant to a Finance Document).
- (b) Subject to paragraph (c) below, the Company shall within 5 Business Days of demand reimburse any Lender for any payment that Lender makes to the Agent pursuant to paragraph (a) above.
- (c) Paragraph (b) above shall not apply to the extent that the indemnity payment in respect of which the Lender claims reimbursement relates to a liability of the Agent to an Obligor.

### **32.12 Resignation of the Agent**

- (a) The Agent may resign and appoint one of its Affiliates acting through an office in the United Kingdom as successor by giving not less than 10 Business Days notice to the Lenders and the Company.
- (b) Alternatively the Agent may resign by giving 30 days notice to the Lenders and the Company, in which case the Majority Lenders (after consultation with the Company) may appoint a successor Agent.
- (c) If the Majority Lenders have not appointed a successor Agent in accordance with paragraph (b) above within 20 days after notice of resignation was given, the retiring Agent (after consultation with the Company) may appoint a successor Agent (acting through an office in the United Kingdom).



- (d) If the Agent wishes to resign because (acting reasonably) it has concluded that it is no longer appropriate for it to remain as agent and the Agent is entitled to appoint a successor Agent under paragraph (c) above, the Agent may (if it concludes (acting reasonably) that it is necessary to do so in order to persuade the proposed successor Agent to become a party to this Agreement as Agent) agree with the proposed successor Agent amendments to this Clause 32.12 and any other term of this Agreement dealing with the rights or obligations of the Agent consistent with the current market practice for the appointment and protection of corporate trustees together with any reasonable amendments to the agency fee payable under this Agreement which are consistent with the successor Agent's normal fee rates and those amendments will bind the Parties **provided that** no such amendment will require any additional or larger payment to be made by any member of the Group or otherwise increase the liability of any member of the Group without the prior written consent of the Company.
- (e) The retiring Agent shall at its own cost make available to the successor Agent such documents and records and provide such assistance as the successor Agent may reasonably request for the purposes of performing its functions as Agent under the Finance Documents.
- (f) The Agent's resignation notice shall only take effect upon the appointment of a successor.
- (g) Upon the appointment of a successor, the retiring Agent shall be discharged from any further obligation in respect of the Finance Documents (other than its obligations under paragraph (e) above) but shall remain entitled to the benefit of Clause 20.3 (*Indemnity to the Agent*) and this Clause 32 (and any agency fees for the account of the retiring Agent shall cease to accrue from (and shall be payable on) that date). Any successor and each of the other Parties shall have the same rights and obligations amongst themselves as they would have had if such successor had been an original Party.
- (h) The Agent shall resign in accordance with paragraph (b) above (and, to the extent applicable, shall use reasonable endeavours to appoint a successor Agent pursuant to paragraph (c) above) if on or after the date which is three months before the earliest FATCA Application Date relating to any payment to the Agent under the Finance Documents, either:
  - (i) the Agent fails to respond to a request under Clause 18.8 (*FATCA Information*) and the Company or a Lender reasonably believes that the Agent will not be (or will have ceased to be) a FATCA Exempt Party on or after that FATCA Application Date;
  - (ii) the information supplied by the Agent pursuant to Clause 18.8 (*FATCA Information*) indicates that the Agent will not be (or will have ceased to be) a FATCA Exempt Party on or after that FATCA Application Date; or

- (iii) the Agent notifies the Company and the Lenders that the Agent will not be (or will have ceased to be) a FATCA Exempt Party on or after that FATCA Application Date,

and (in each case) the Company or a Lender reasonably believes that a Party will be required to make a FATCA Deduction that would not be required if the Agent were a FATCA Exempt Party, and the Company or that Lender, by notice to the Agent, requires it to resign.

### 32.13 Replacement of the Agent

- (a) After consultation with the Company, the Majority Lenders may, by giving 30 days' notice to the Agent (or, at any time the Agent is an Impaired Agent, by giving any shorter notice determined by the Majority Lenders) replace the Agent by appointing a successor Agent (acting through an office in the United Kingdom).
- (b) The retiring Agent shall (at its own cost if it is an Impaired Agent and otherwise at the expense of the Lenders) make available to the successor Agent such documents and records and provide such assistance as the successor Agent may reasonably request for the purposes of performing its functions as Agent under the Finance Documents.
- (c) The appointment of the successor Agent shall take effect on the date specified in the notice from the Majority Lenders to the retiring Agent. As from this date, the retiring Agent shall be discharged from any further obligation in respect of the Finance Documents (other than its obligations under paragraph (b) above) but shall remain entitled to the benefit of Clause 20.3 (*Indemnity to the Agent*) and this Clause 32 (and any agency fees for the account of the retiring Agent shall cease to accrue from (and shall be payable on) that date).
- (d) Any successor Agent and each of the other Parties shall have the same rights and obligations amongst themselves as they would have had if such successor had been an original Party.

### 32.14 Confidentiality

- (a) In acting as agent for the Finance Parties, the Agent shall be regarded as acting through its agency division which shall be treated as a separate entity from any other of its divisions or departments.
- (b) If information is received by another division or department of the Agent, it may be treated as confidential to that division or department and the Agent shall not be deemed to have notice of it.
- (c) Notwithstanding any other provision of any Finance Document to the contrary, neither the Agent nor the Arranger is obliged to disclose to any other person (i) any confidential information or (ii) any other information if the disclosure would or might in its reasonable opinion constitute a breach of any law or regulation or a breach of a fiduciary duty.

### 32.15 Relationship with the Lenders

- (a) Subject to Clause 29.9 (*Pro rata interest settlement*), the Agent may treat the person shown in its records as Lender at the opening of business (in the place of the Agent's principal office as notified to the Finance Parties from time to time) as the Lender acting through its Facility Office:
  - (i) entitled to or liable for any payment due under any Finance Document that day; and
  - (ii) entitled to receive and act upon any notice, request, document or communication or make any decision or determination under any Finance Document made or delivered on that day,unless it has received not less than five Business Days' prior notice from that Lender to the contrary in accordance with the terms of this Agreement.
- (b) Any Lender may by notice to the Agent appoint a person to receive on its behalf all notices, communications, information and documents to be made or despatched to that Lender under the Finance Documents. Such notice shall contain the address, fax number and (where communication by electronic mail or other electronic means is permitted under Clause 37.6 (*Electronic communication*)) electronic mail address and/or any other information required to enable the sending and receipt of information by that means (and, in each case, the department or officer, if any, for whose attention communication is to be made) and be treated as a notification of a substitute address, fax number, electronic mail address, department and officer by that Lender for the purposes of Clause 37.2 (*Addresses*) and paragraph (a) (ii) of Clause 37.6 (*Electronic communication*) and the Agent shall be entitled to treat such person as the person entitled to receive all such notices, communications, information and documents as though that person were that Lender.

### 32.16 Credit appraisal by the Lenders, Issuing Bank and Ancillary Lenders

Without affecting the responsibility of any Obligor for information supplied by it or on its behalf in connection with any Finance Document, each Lender, Issuing Bank and Ancillary Lender confirms to the Agent, the Arranger, the Issuing Bank and each Ancillary Lender that it has been, and will continue to be, solely responsible for making its own independent appraisal and investigation of all risks arising under or in connection with any Finance Document including but not limited to:

- (a) the financial condition, status and nature of each member of the Group;
- (b) the legality, validity, effectiveness, adequacy or enforceability of any Finance Document, the Transaction Security and any other agreement, arrangement or document entered into, made or executed in anticipation of, under or in connection with any Finance Document or the Transaction Security;
- (c) whether that Lender, Issuing Bank or Ancillary Lender has recourse, and the nature and extent of that recourse, against any Party or any of its respective

assets under or in connection with any Finance Document, the Transaction Security or the transactions contemplated by the Finance Documents or any other agreement, arrangement or document entered into, made or executed in anticipation of, under or in connection with any Finance Document or the Transaction Security;

- (d) the adequacy, accuracy or completeness of any information provided by the Agent, any Party or by any other person under or in connection with any Finance Document, the transactions contemplated by any Finance Document or any other agreement, arrangement or document entered into, made or executed in anticipation of, under or in connection with any Finance Document; and
- (e) the right or title of any person in or to, or the value or sufficiency of any part of the Charged Property, the priority of any of the Transaction Security or the existence of any Security affecting the Charged Property.

### **32.17 Base Reference Banks**

If a Base Reference Bank (or, if a Base Reference Bank is not a Lender, the Lender of which it is an Affiliate) ceases to be a Lender, the Agent shall (in consultation with the Company) appoint another Lender or an Affiliate of a Lender to replace that Base Reference Bank.

### **32.18 Deduction from amounts payable by the Agent**

If any Party owes an amount to the Agent under the Finance Documents the Agent may, after giving notice to that Party, deduct an amount not exceeding that amount from any payment to that Party which the Agent would otherwise be obliged to make under the Finance Documents and apply the amount deducted in or towards satisfaction of the amount owed. For the purposes of the Finance Documents that Party shall be regarded as having received any amount so deducted.

### **32.19 Reliance and engagement letters**

Each Finance Party and Secured Party confirms that each of the Arranger and the Agent has authority to accept on its behalf (and ratifies the acceptance on its behalf of any letters or reports already accepted by the Arranger or Agent) the terms of any reliance letter or engagement letters relating to any reports or letters provided by accountants in connection with the Finance Documents or the transactions contemplated in the Finance Documents and to bind it in respect of those reports or letters and to sign such letters on its behalf and further confirms that it accepts the terms and qualifications set out in such letters.

## **33. CONDUCT OF BUSINESS BY THE FINANCE PARTIES**

No provision of this Agreement will:

- (a) interfere with the right of any Finance Party to arrange its affairs (tax or otherwise) in whatever manner it thinks fit;

- (b) oblige any Finance Party to investigate or claim any credit, relief, remission or repayment available to it or the extent, order and manner of any claim; or
- (c) oblige any Finance Party to disclose any information relating to its affairs (tax or otherwise) or any computations in respect of Tax.

## 34. SHARING AMONG THE FINANCE PARTIES

### 34.1 Payments to Finance Parties

- (a) Subject to paragraph (b) below, if a Finance Party (a "**Recovering Finance Party**") receives or recovers any amount from an Obligor other than in accordance with Clause 35 (*Payment mechanics*) (a "**Recovered Amount**") and applies that amount to a payment due under the Finance Documents then:
  - (i) the Recovering Finance Party shall, within three Business Days, notify details of the receipt or recovery, to the Agent;
  - (ii) the Agent shall determine whether the receipt or recovery is in excess of the amount the Recovering Finance Party would have been paid had the receipt or recovery been received or made by the Agent and distributed in accordance with Clause 35 (*Payment mechanics*), without taking account of any Tax which would be imposed on the Agent in relation to the receipt, recovery or distribution; and
  - (iii) the Recovering Finance Party shall, within three Business Days of demand by the Agent, pay to the Agent an amount (the "**Sharing Payment**") equal to such receipt or recovery less any amount which the Agent determines may be retained by the Recovering Finance Party as its share of any payment to be made, in accordance with Clause 35.6 (*Partial payments*).
- (b) Paragraph (a) above shall not apply to any amount received or recovered by an Issuing Bank or an Ancillary Lender in respect of any cash cover provided for the benefit of that Issuing Bank or that Ancillary Lender.

### 34.2 Redistribution of payments

The Agent shall treat the Sharing Payment as if it had been paid by the relevant Obligor and distribute it between the Finance Parties (other than the Recovering Finance Party) (the "**Sharing Finance Parties**") in accordance with Clause 35.6 (*Partial payments*) towards the obligations of that Obligor to the Sharing Finance Parties.

### 34.3 Recovering Finance Party's rights

On a distribution by the Agent under Clause 34.2 (*Redistribution of payments*), of a payment received by a Recovering Finance Party from an Obligor, as between the relevant Obligor and the Recovering Finance Party, an amount of the Recovered Amount equal to the Sharing Payment will be treated as not having been paid by that Obligor.

#### 34.4 Reversal of redistribution

If any part of the Sharing Payment received or recovered by a Recovering Finance Party becomes repayable and is repaid by that Recovering Finance Party, then:

- (a) each Sharing Finance Party shall, upon request of the Agent, pay to the Agent for the account of that Recovering Finance Party an amount equal to the appropriate part of its share of the Sharing Payment (together with an amount as is necessary to reimburse that Recovering Finance Party for its proportion of any interest on the Sharing Payment which that Recovering Finance Party is required to pay) (the "**Redistributed Amount**"); and
- (b) as between the relevant Obligor and each relevant Sharing Finance Party, an amount equal to the relevant Redistributed Amount will be treated as not having been paid by that Obligor.

#### 34.5 Exceptions

- (a) This Clause 34 shall not apply to the extent that the Recovering Finance Party would not, after making any payment pursuant to this Clause, have a valid and enforceable claim against the relevant Obligor.
- (b) A Recovering Finance Party is not obliged to share with any other Finance Party any amount which the Recovering Finance Party has received or recovered as a result of taking legal or arbitration proceedings, if:
  - (i) it notified the other Finance Party of the legal or arbitration proceedings; and
  - (ii) the other Finance Party had an opportunity to participate in those legal or arbitration proceedings but did not do so as soon as reasonably practicable having received notice and did not take separate legal or arbitration proceedings.

#### 34.6 Ancillary Lenders

- (a) This Clause 34 shall not apply to any receipt or recovery by a Lender in its capacity as an Ancillary Lender at any time prior to service of notice under Clause 28.18 (*Acceleration and/or Other Remedies*).
- (b) Following service of notice under Clause 28.18 (*Acceleration and/or Other Remedies*), this Clause 34 shall apply to all receipts or recoveries by Ancillary Lenders except to the extent that the receipt or recovery represents a reduction of the Permitted Gross Outstandings of a Multi-account Overdraft to or towards an amount equal to the Gross Outstandings of a Multi-account Overdraft to or towards an amount equal to its Net Outstandings.

## **SECTION 11 ADMINISTRATION**

### **35. PAYMENT MECHANICS**

#### **35.1 Payments to the Agent**

- (a) On each date on which an Obligor or a Lender is required to make a payment under a Finance Document, excluding a payment under the terms of an Ancillary Document, that Obligor or Lender shall make the same available to the Agent (unless a contrary indication appears in a Finance Document) for value on the due date at the time and in such funds specified by the Agent as being customary at the time for settlement of transactions in the relevant currency in the place of payment.
- (b) Payment shall be made to such account in the principal financial centre of the country of that currency (or, in relation to euro, London, as specified by the Agent) and with such bank as the Agent, in each case, specifies.

#### **35.2 Distributions by the Agent**

Each payment received by the Agent under the Finance Documents for another Party shall, subject to Clause 35.3 (*Distributions to an Obligor*) and Clause 35.4 (*Clawback and pre-funding*) be made available by the Agent as soon as practicable after receipt to the Party entitled to receive payment in accordance with this Agreement (in the case of a Lender, for the account of its Facility Office), to such account as that Party may notify to the Agent by not less than five Business Days' notice with a bank specified by that Party in the principal financial centre of the country of that currency (or, in relation to euro, in the principal financial centre of a Participating Member State or London, as specified by that Party).

#### **35.3 Distributions to an Obligor**

The Agent may (with the consent of the Obligor or in accordance with Clause 36 (*Set-Off*)) apply any amount received by it for that Obligor in or towards payment (on the date and in the currency and funds of receipt) of any amount due from that Obligor under the Finance Documents or in or towards purchase of any amount of any currency to be so applied.

#### **35.4 Clawback and pre-funding**

- (a) Where a sum is to be paid to the Agent under the Finance Documents for another Party, the Agent is not obliged to pay that sum to that other Party (or to enter into or perform any related exchange contract) until it has been able to establish to its satisfaction that it has actually received that sum.
- (b) Unless paragraph (c) below applies, if the Agent pays an amount to another Party and it proves to be the case that the Agent had not actually received that amount, then the Party to whom that amount (or the proceeds of any related exchange contract) was paid by the Agent shall on demand refund the same to the Agent together with interest on that amount from the date of payment to

the date of receipt by the Agent, calculated by the Agent to reflect its cost of funds.

- (c) If the Agent is willing to make available amounts for the account of a Borrower before receiving funds from the Lenders then if and to the extent that the Agent does so but it proves to be the case that it does not then receive funds from a Lender in respect of a sum which it paid to a Borrower:
  - (i) the Agent shall notify the Company of that Lender's identity and the Borrower to whom that sum was made available shall on demand refund it to the Agent; and
  - (ii) the Lender by whom those funds should have been made available or, if that Lender fails to do so, the Borrower to whom that sum was made available, shall on demand pay to the Agent the amount (as certified by the Agent) which will indemnify the Agent against any funding cost incurred by it as a result of paying out that sum before receiving those funds from that Lender.

### 35.5 Impaired Agent

- (a) If, at any time, the Agent becomes an Impaired Agent, an Obligor or a Lender which is required to make a payment under the Finance Documents to the Agent in accordance with Clause 35.1 (*Payments to the Agent*) may instead either:
  - (i) pay that amount direct to the required recipient(s); or
  - (ii) if in its absolute discretion it considers that it is not reasonably practicable to pay that amount direct to the required recipient(s), pay that amount or the relevant part of that amount to an interest-bearing account held with an Acceptable Bank within the meaning of paragraph (a) of the definition of "Acceptable Bank" and in relation to which no Insolvency Event has occurred and is continuing, in the name of the Obligor or the Lender making the payment (the "**Paying Party**") and designated as a trust account for the benefit of the Party or Parties beneficially entitled to that payment under the Finance Documents (the "**Recipient Party**" or "**Recipient Parties**").

In each case such payments must be made on the due date for payment under the Finance Documents.

- (b) All interest accrued on the amount standing to the credit of the trust account shall be for the benefit of the Recipient Party or the Recipient Parties *pro rata* to their respective entitlements.
- (c) A Party which has made a payment in accordance with this Clause 35.5 shall be discharged of the relevant payment obligation under the Finance Documents and shall not take any credit risk with respect to the amounts standing to the credit of the trust account.



- (d) Promptly upon the appointment of a successor Agent in accordance with Clause 32.13 (*Replacement of the Agent*), each Paying Party shall (other than to the extent that that Party has given an instruction pursuant to paragraph (e) below) give all requisite instructions to the bank with whom the trust account is held to transfer the amount (together with any accrued interest) to the successor Agent for distribution to the relevant Recipient Party or Recipient Parties in accordance with Clause 35.2 (*Distributions by the Agent*).
- (e) A Paying Party shall, promptly upon request by a Recipient Party and to the extent:
  - (i) that it has not given an instruction pursuant to paragraph (d) above; and
  - (ii) that it has been provided with the necessary information by that Recipient Party,

give all requisite instructions to the bank with whom the trust account is held to transfer the relevant amount (together with any accrued interest) to that Recipient Party.

#### 35.6 Partial payments

- (a) If the Agent receives a payment for application against amounts due in respect of any Finance Documents that is insufficient to discharge all the amounts then due and payable by an Obligor under those Finance Documents, the Agent shall apply that payment towards the obligations of that Obligor under those Finance Documents in the following order:
  - (i) **first**, in or towards payment *pro rata* of any unpaid amount owing to the Agent and the Arranger, the Issuing Bank or the Security Agent under those Finance Documents;
  - (ii) **secondly**, in or towards payment *pro rata* of any accrued interest, fee or commission due but unpaid under those Finance Documents;
  - (iii) **thirdly**, in or towards payment *pro rata* of any principal due but unpaid under those Finance Documents and any amount due but unpaid under Clause 7.2 (*Claims under a Letter of Credit*) and Clause 7.3 (*Indemnities*); and
  - (iv) **fourthly**, in or towards payment *pro rata* of any other sum due but unpaid under the Finance Documents.
- (b) The Agent shall, if so directed by the Majority Lenders, vary the order set out in paragraphs (a)(ii) to (iv) above.
- (c) Paragraphs (a) and (b) above will override any appropriation made by an Obligor.

### **35.7 Set-off by Obligors**

Without prejudice to Clause 10.2 (*Repayment of Revolving Facility Loans*) all payments to be made by an Obligor under the Finance Documents shall be calculated and be made without (and free and clear of any deduction for) set-off or counterclaim.

### **35.8 Business Days**

- (a) Any payment under the Finance Documents which is due to be made on a day that is not a Business Day shall be made on the next Business Day in the same calendar month (if there is one) or the preceding Business Day (if there is not).
- (b) During any extension of the due date for payment of any principal or Unpaid Sum under this Agreement interest is payable on the principal or Unpaid Sum at the rate payable on the original due date.

### **35.9 Currency of account**

- (a) Subject to paragraphs (b) to (e) below, the Base Currency is the currency of account and payment for any sum due from an Obligor under any Finance Document.
- (b) A repayment of a Utilisation or Unpaid Sum or a part of a Utilisation or Unpaid Sum shall be made in the currency in which that Utilisation or Unpaid Sum is denominated, pursuant to this Agreement, on its due date.
- (c) Each payment of interest shall be made in the currency in which the sum in respect of which the interest is payable was denominated, pursuant to this Agreement, when that interest accrued.
- (d) Each payment in respect of costs, expenses or Taxes shall be made in the currency in which the costs, expenses or Taxes are incurred.
- (e) Any amount expressed to be payable in a currency other than the Base Currency shall be paid in that other currency.

### **35.10 Change of currency**

- (a) Unless otherwise prohibited by law, if more than one currency or currency unit are at the same time recognised by the central bank of any country as the lawful currency of that country, then:
  - (i) any reference in the Finance Documents to, and any obligations arising under the Finance Documents in, the currency of that country shall be translated into, or paid in, the currency or currency unit of that country designated by the Agent (after consultation with the Company); and
  - (ii) any translation from one currency or currency unit to another shall be at the official rate of exchange recognised by the central bank for the conversion of that currency or currency unit into the other, rounded up or down by the Agent (acting reasonably).

- (b) If a change in any currency of a country occurs, this Agreement will, to the extent the Agent (acting reasonably and after consultation with the Company) specifies to be necessary, be amended to comply with any generally accepted conventions and market practice in the Relevant Interbank Market and otherwise to reflect the change in currency.

#### **35.11 Disruption to Payment Systems etc.**

If either the Agent determines (in its discretion) that a Disruption Event has occurred or the Agent is notified by the Company that a Disruption Event has occurred:

- (a) the Agent may, and shall if requested to do so by the Company, consult with the Company with a view to agreeing with the Company such changes to the operation or administration of the Facilities as the Agent may deem necessary in the circumstances;
- (b) the Agent shall not be obliged to consult with the Company in relation to any changes mentioned in paragraph (a) if, in its opinion, it is not practicable to do so in the circumstances and, in any event, shall have no obligation to agree to such changes;
- (c) the Agent may consult with the Finance Parties in relation to any changes mentioned in paragraph (a) but shall not be obliged to do so if, in its opinion, it is not practicable to do so in the circumstances;
- (d) any such changes agreed upon by the Agent and the Company shall (whether or not it is finally determined that a Disruption Event has occurred) be binding upon the Parties as an amendment to (or, as the case may be, waiver of) the terms of the Finance Documents notwithstanding the provisions of Clause 41 (*Amendments and Waivers*);
- (e) the Agent shall not be liable for any damages, costs or losses to any person, any diminution in value or any liability whatsoever (including, without limitation for negligence, gross negligence or any other category of liability whatsoever but not including any claim based on the fraud of the Agent) arising as a result of its taking, or failing to take, any actions pursuant to or in connection with this Clause 35.11; and
- (f) the Agent shall notify the Finance Parties of all changes agreed pursuant to paragraph (d) above.

#### **36. SET-OFF**

- (a) A Finance Party may at any time set off any matured obligation due from an Obligor under the Finance Documents (to the extent beneficially owned by that Finance Party) against any matured obligation owed by that Finance Party to that Obligor, regardless of the place of payment, booking branch or currency of either obligation. If the obligations are in different currencies, the Finance Party may convert either obligation at a market rate of exchange in its usual course of business for the purpose of the set-off.

- (b) Any credit balances taken into account by an Ancillary Lender when operating a net limit in respect of any overdraft under an Ancillary Facility shall on enforcement of the Finance Documents be applied first in reduction of the overdraft provided under that Ancillary Facility in accordance with its terms.

## **37. NOTICES**

### **37.1 Communications in writing**

Any communication to be made under or in connection with the Finance Documents shall be made in writing and, unless otherwise stated, may be made by fax or letter.

### **37.2 Addresses**

The address and fax number (and the department or officer, if any, for whose attention the communication is to be made) of each Party for any communication or document to be made or delivered under or in connection with the Finance Documents is:

- (a) in the case of the Company, that identified with its name below;
- (b) in the case of each Lender, the Issuing Bank, each Ancillary Lender or any other Obligor, that notified in writing to the Agent on or prior to the date on which it becomes a Party; and
- (c) in the case of the Agent or the Security Agent, that identified with its name below,

or any substitute address, fax number or department or officer as the Party may notify to the Agent (or the Agent may notify to the other Parties, if a change is made by the Agent) by not less than five Business Days' notice.

### **37.3 Delivery**

- (a) Any communication or document made or delivered by one person to another under or in connection with the Finance Documents will only be effective:
  - (i) if by way of fax, when received in legible form; or
  - (ii) if by way of letter, when it has been left at the relevant address or five Business Days after being deposited in the post postage prepaid in an envelope addressed to it at that address,

and, if a particular department or officer is specified as part of its address details provided under Clause 37.2 (*Addresses*), if addressed to that department or officer.

- (b) Any communication or document to be made or delivered to the Agent or the Security Agent will be effective only when actually received by the Agent or Security Agent and then only if it is expressly marked for the attention of the department or officer identified with the Agent's or Security Agent's signature below (or any substitute department or officer as the Agent or Security Agent shall specify for this purpose).

- (c) All notices from or to an Obligor shall be sent through the Agent.
- (d) Any communication or document made or delivered to the Company in accordance with this Clause 37.3 will be deemed to have been made or delivered to each of the Obligors.
- (e) Any communication or document which becomes effective, in accordance with paragraphs (a) to (d) above, after 5.00 p.m. in the place of receipt shall be deemed only to become effective on the following day.

#### **37.4 Notification of address and fax number**

Promptly upon receipt of notification of an address or fax number or change of address or fax number pursuant to Clause 37.2 (*Addresses*) or changing its own address or fax number, the Agent shall notify the other Parties.

#### **37.5 Communication when Agent is Impaired Agent**

If the Agent is an Impaired Agent the Parties may, instead of communicating with each other through the Agent, communicate with each other directly and (while the Agent is an Impaired Agent) all the provisions of the Finance Documents which require communications to be made or notices to be given to or by the Agent shall be varied so that communications may be made and notices given to or by the relevant Parties directly. This provision shall not operate after a replacement Agent has been appointed.

#### **37.6 Electronic communication**

Any communication to be made between any two Parties under or in connection with the Finance Documents may be made by electronic mail or other electronic means:

- (a) to the extent that those two Parties agree that, unless and until notified to the contrary, this is to be an accepted form of communication and if those two Parties:
  - (i) notify each other in writing of their electronic mail address and/or any other information required to enable the sending and receipt of information by that means; and
  - (ii) notify each other of any change to their address or any other such information supplied by them by not less than five Business Days' notice.
- (b) Any electronic communication made between those two Parties will be effective only when actually received in readable form and in the case of any electronic communication made by a Party to the Agent or the Security Agent only if it is addressed in such a manner as the Agent or Security Agent shall specify for this purpose.
- (c) Any electronic communication which becomes effective, in accordance with paragraph (b) above, after 5.00 p.m. in the place of receipt shall be deemed only to become effective on the following day.

### 37.7 Use of websites

- (a) The Company may satisfy its obligation under this Agreement to deliver any information in relation to those Lenders (the "**Website Lenders**") who accept this method of communication by posting this information onto an electronic website designated by the Company and the Agent (the "**Designated Website**") if:
  - (i) the Agent expressly agrees (after consultation with each of the Lenders) that it will accept communication of the information by this method;
  - (ii) both the Company and the Agent are aware of the address of and any relevant password specifications for the Designated Website; and
  - (iii) the information is in a format previously agreed between the Company and the Agent.

If any Lender (a "**Paper Form Lender**") does not agree to the delivery of information electronically then the Agent shall notify the Company accordingly and the Company shall, at its own cost, supply the information to the Agent (in sufficient copies for each Paper Form Lender) in paper form. In any event the Company shall, at its own cost, supply the Agent with at least one copy in paper form of any information required to be provided by it.

- (b) The Agent shall supply each Website Lender with the address of and any relevant password specifications for the Designated Website following designation of that website by the Company and the Agent.
- (c) The Company shall promptly upon becoming aware of its occurrence notify the Agent if:
  - (i) the Designated Website cannot be accessed due to technical failure;
  - (ii) the password specifications for the Designated Website change;
  - (iii) any new information which is required to be provided under this Agreement is posted onto the Designated Website;
  - (iv) any existing information which has been provided under this Agreement and posted onto the Designated Website is amended; or
  - (v) the Company becomes aware that the Designated Website or any information posted onto the Designated Website is or has been infected by any electronic virus or similar software.

If the Company notifies the Agent under paragraph (c)(i) or paragraph (c)(v) above, all information to be provided by the Company under this Agreement after the date of that notice shall be supplied in paper form unless and until the Agent and each Website Lender is satisfied that the circumstances giving rise to the notification are no longer continuing.

- (d) Any Website Lender may request, through the Agent, one paper copy of any information required to be provided under this Agreement which is posted onto the Designated Website. The Company shall at its own cost comply with any such request within ten Business Days.

### **37.8 English language**

- (a) Any notice given under or in connection with any Finance Document must be in English.
- (b) All other documents provided under or in connection with any Finance Document must be:
  - (i) in English; or
  - (ii) if not in English, and if so required by the Agent, accompanied by a certified English translation and, in this case, the English translation will prevail unless the document is a constitutional, statutory or other official document.

## **38. CALCULATIONS AND CERTIFICATES**

### **38.1 Accounts**

In any litigation or arbitration proceedings arising out of or in connection with a Finance Document, the entries made in the accounts maintained by a Finance Party are *prima facie* evidence of the matters to which they relate.

### **38.2 Certificates and determinations**

Any certification or determination by a Finance Party of a rate or amount under any Finance Document is, in the absence of manifest error, *prima facie* evidence of the matters to which it relates.

### **38.3 Day count convention**

Any interest, commission or fee accruing under a Finance Document will accrue from day to day and is calculated on the basis of the actual number of days elapsed and a year of 360 days or, in any case where the practice in the Relevant Interbank Market differs, in accordance with that market practice.

## **39. PARTIAL INVALIDITY**

If, at any time, any provision of a Finance Document is or becomes illegal, invalid or unenforceable in any respect under any law of any jurisdiction, neither the legality, validity or enforceability of the remaining provisions nor the legality, validity or enforceability of such provision under the law of any other jurisdiction will in any way be affected or impaired.

#### 40. **REMEDIES AND WAIVERS**

No failure to exercise, nor any delay in exercising, on the part of any Finance Party or Secured Party, any right or remedy under a Finance Document shall operate as a waiver of any such right or remedy or constitute an election to affirm any Finance Document. No election to affirm any Finance Document on the part of any Finance Party or Secured Party shall be effective unless it is in writing. No single or partial exercise of any right or remedy shall prevent any further or other exercise or the exercise of any other right or remedy. The rights and remedies provided in each Finance Document are cumulative and not exclusive of any rights or remedies provided by law.

#### 41. **AMENDMENTS AND WAIVERS**

##### 41.1 **Intercreditor Agreement**

This Clause 41 is subject to the terms of the Intercreditor Agreement.

##### 41.2 **Required consents**

- (a) Subject to Clause 41.3 (*All Lender matters*) and Clause 41.5 (*Other exceptions*), any term of the Finance Documents may be amended or waived only with the consent of the Majority Lenders and the Company and any such amendment or waiver will be binding on all Parties.
- (b) The Agent may effect, on behalf of any Finance Party, any amendment or waiver permitted by this Clause 41.
- (c) Without prejudice to the generality of paragraphs (c), (d) and (e) of Clause 32.7 (*Rights and discretions*), the Agent may engage, pay for and rely on the services of lawyers in determining the consent level required for and effecting any amendment, waiver or consent under this Agreement.
- (d) Each Obligor agrees to any such amendment or waiver permitted by this Clause 41 which is agreed to by the Company. This includes any amendment or waiver which would, but for this paragraph (d), require the consent of all of the Guarantors.

##### 41.3 **All Lender matters**

Subject to Clause 41.6 (*Structural Adjustment*), an amendment or waiver of, or in relation to, any term of any Finance Document that has the effect of changing or which relates to:

- (a) the definition of "Majority Lenders" or "Super Majority Lenders" in Clause 1.1 (*Definitions*);
- (b) an extension to the date of payment of any amount under the Finance Documents (other than in relation to Clause 12 (*Mandatory prepayment and cancellation*));



- (c) a reduction in the Margin or a reduction in the amount of any payment of principal, interest, fees or commission payable;
- (d) a change in currency of payment of any amount under the Finance Documents;
- (e) an increase in any Commitment or the Total Commitments, an extension of any Availability Period or any requirement that a cancellation of Commitments reduces the Commitments of the Lenders rateably under the relevant Facility;
- (f) a change to the Borrowers or Guarantors other than in accordance with Clause 31 (*Changes to the Obligors*);
- (g) any provision which expressly requires the consent of all the Lenders; or
- (h) Clause 2.4 (*Finance Parties' rights and obligations*), Clause 13.10 (*Application of prepayments*), Clause 29 (*Changes to the Lender*), this Clause 41, Clause 45 (*Governing law*) or Clause 46.1 (*Jurisdictions of English courts*); or

shall not be made, or given, without the prior consent of all the Lenders.

#### 41.4 **Super Majority Matters**

An amendment, waiver or (in the case of a Transaction Security Document) a consent of, or in relation to, any term of a Finance Document that has the effect of changing or which relates to:

- (a) (other than as expressly permitted by the provisions of any Finance Document) the nature or scope of:
  - (i) the guarantee and indemnity granted under Clause 23 (*Guarantee and Indemnity*);
  - (ii) the Charged Property; or
  - (iii) the manner in which the proceeds of enforcement of the Transaction Security are distributed,

(except in the case of paragraph (ii) and paragraph (iii) above, insofar as it relates to a sale or disposal of an asset which is the subject of the Transaction Security where such sale or disposal is permitted under this Agreement or any other Finance Document);
- (b) the release of any guarantee and indemnity granted under Clause 23 (*Guarantee and Indemnity*) or of any Transaction Security unless permitted under this Agreement or any other Finance Document or relating to a sale or disposal of an asset which is the subject of the Transaction Security where such sale or disposal is expressly permitted under this Agreement or any other Finance Document; or

- (c) any amendment to the order of priority or subordination under the Intercreditor Agreement,

shall not be made, or given, without the prior consent of the Super Majority Lenders.

#### 41.5 Other exceptions

- (a) An amendment or waiver which relates to the rights or obligations of the Agent, the Arranger, the Issuing Bank, the Security Agent, any Ancillary Lender (each in their capacity as such) may not be effected without the consent of the Agent, the Arranger, the Issuing Bank, the Security Agent, or as the case may be, that Ancillary Lender.
- (b) Any amendment which relates to the rights of the Lenders to waive prepayment of Facility B under Clause 13.8 (*Prepayment elections*) shall not be effected without the consent of the Lenders under Facility B.
- (c) Any amendment or waiver (other than an amendment or waiver to which Clause 41.6 (*Structural Adjustment*) applies or would, but for this paragraph (c), apply) which:
  - (i) relates only to the rights or obligations applicable to a particular Utilisation, Facility or class of Lender; and
  - (ii) does not materially and adversely affect the rights or interests of Lenders in respect of any other Utilisation or Facility or another class of Lender,

may be made in accordance with this Clause 41 but as if references in this Clause 41 to the specified proportion of Lenders (including, for the avoidance of doubt, all the Lenders) whose consent would, but for this paragraph (c), be required for that amendment or waiver were to that proportion of the Lenders participating in that particular Utilisation or Facility or forming part of that particular class.

#### 41.6 Structural Adjustment

- (a) In this Agreement:
  - (i) "**Adjustment**" means:
    - (A) the introduction of a New Tranche into the Finance Documents;
    - (B) an increase in any Existing Tranche; or
    - (C) an extension of the Availability Period applicable to the Revolving Facility.
  - (ii) "**Consequential Amendment**" means, in relation to a Major Structural Adjustment, a Minor Structural Adjustment or a Payables Reduction, any amendment, waiver or consent of, or in relation to, any Finance Document consequential on, or required to implement or reflect, that

Major Structural Adjustment, Minor Structural Adjustment or Payables Reduction.

- (iii) **"Existing Tranche"** means any Commitment in respect of, and any Loan made under, an existing Facility.
- (iv) **"Facilities Amount"** means at any time, the then aggregate (without double counting) of the amount in the Base Currency (as determined by the Agent by reference to the Agent's Spot Rate of Exchange) of:
  - (A) the amounts borrowed and not repaid or prepaid; and
  - (B) the committed financial accommodation available (or potentially available),under the Finance Documents.
- (v) **"Facilities Increase"** means, in relation to an Adjustment, the extent to which the Facilities Amount immediately after that Adjustment would (as a result of that Adjustment and after taking account of any repayment of any Utilisation, or any cancellation of any Commitment, to be effected at the same time as, or immediately following that Adjustment) exceed the Facilities Amount immediately before that Adjustment.
- (vi) **"Major Structural Adjustment"** means an amendment, waiver or consent that is not a Minor Structural Adjustment and that results in, or is intended to result in:
  - (A) an Adjustment where the indebtedness in respect of any New Tranche introduced into the Finance Documents ranks *pari passu* with the indebtedness in respect of the Facilities;
  - (B) the introduction of a New Tranche into the Finance Documents where the indebtedness in respect of that New Tranche ranks junior to the indebtedness in respect of the Facilities;
  - (C) the transfer of an Existing Tranche (or any participation in an Existing Tranche) into any New Tranche described in paragraph (A) or paragraph (B) above; or
  - (D) a change in currency of any Existing Tranche or of any amount payable under any Finance Document.
- (vii) **"Minor Structural Adjustment"** means an amendment, waiver or consent that results in, or is intended to result in:
  - (A) an Adjustment which would not result in a Facilities Increase or a change in currency of an Existing Tranche or of any amount payable under any Finance Document and where the indebtedness in respect of any New Tranche introduced

pursuant to that Adjustment ranks *pari passu* with, or junior to, the indebtedness in respect of the Facilities; or

- (B) the transfer of an Existing Tranche (or any participation in an Existing Tranche) into any New Tranche introduced pursuant to paragraph (A) above where each Lender which has an Existing Tranche (or a participation in that Existing Tranche) has the opportunity (but not the obligation) to transfer that Existing Tranche (or that participation) into that New Tranche.
- (viii) **"New Tranche"** means any additional tranche, loan, facility or commitment.
- (ix) **"Payables Reduction"** means an amendment, waiver or consent that results in, or is intended to result in:
  - (A) an extension to the date of payment of any amount under the Finance Documents; or
  - (B) a reduction in the Margin or a reduction in the amount of any payment of principal, interest, fees or commission payable.
- (b) If any amendment, waiver or consent is a Major Structural Adjustment, Minor Structural Adjustment or Payables Reduction (or, in each case, a Consequential Amendment relating to it) and would otherwise require the prior consent of all the Lenders pursuant to Clause 41.3 (*All Lender matters*), that amendment, waiver or consent may be made with the consent of the Company and:
  - (i) in the case of a Major Structural Adjustment (or a Consequential Amendment relating to it):
    - (A) each Lender that assumes a New Tranche or an increased Existing Tranche, whose Existing Tranche (or participation) is being transferred, whose Commitment is subject to an extended Availability Period or that has an Existing Tranche (or participation), or is owed any amount, which is subject, in each case, to a change in currency; and
    - (B) the Majority Lenders;
  - (ii) in the case of a Minor Structural Adjustment (or a Consequential Amendment relating to it):
    - (A) each Lender that assumes a New Tranche or an increased Existing Tranche, whose Existing Tranche (or participation) is being transferred or whose Commitment is subject to an extended Availability Period; and
    - (B) the Majority Lenders; or

- (iii) in the case of a Payables Reduction (or a Consequential Amendment relating to it):
  - (A) each Lender to whom any amount is owing in respect of which the date of payment is being extended or which is being reduced or whose Margin, fee or commission is being reduced; and
  - (B) the Majority Lenders.

#### 41.7 Excluded Commitments

If:

- (a) any Defaulting Lender fails to respond to a request for a consent, waiver or amendment of or in relation to any term of any Finance Document or any other vote of Lenders under the terms of this Agreement within 15 Business Days of that request being made; or
- (b) any Lender which is not a Defaulting Lender fails to respond to such a request or such a vote within 15 Business Days of that request being made,

(unless, in either case, the Company and the Agent agree to a longer time period in relation to any request):

- (i) its Commitment(s) shall not be included for the purpose of calculating the Total Commitments under the relevant Facility/ies when ascertaining whether any relevant percentage (including, for the avoidance of doubt, unanimity) of Total Commitments has been obtained to approve that request; and
- (ii) its status as a Lender shall be disregarded for the purpose of ascertaining whether the agreement of any specified group of Lenders has been obtained to approve that request.

#### 41.8 Replacement of Lender

(a) If:

- (i) any Lender becomes a Non-Consenting Lender (as defined in paragraph (d) below); or
- (ii) an Obligor becomes obliged to repay any amount in accordance with Clause 11.1 (*Illegality*) or to pay additional amounts pursuant to Clause 19.1 (*Increased costs*), Clause 18.2 (*Tax gross-up*) or Clause 18.3 (*Tax Indemnity*) to any Lender,

then the Company may, on five Business Days' prior written notice to the Agent and such Lender, replace such Lender by requiring such Lender to (and, to the extent permitted by law, such Lender shall) transfer pursuant to Clause 29 (*Changes to the Lenders*) all (and not part only) of its rights and obligations under this Agreement to a Lender or other bank, financial

institution, trust, fund or other entity (a "**Replacement Lender**") selected by the Company, which is acceptable (in the case of any transfer of a Revolving Facility Commitment) to the Issuing Bank and which confirms its willingness to assume and does assume all the obligations of the transferring Lender in accordance with Clause 29 (*Changes to the Lenders*) for a purchase price in cash payable at the time of transfer in an amount equal to the outstanding principal amount of such Lender's participation in the outstanding Utilisations and all accrued interest and/or Letter of Credit fees (to the extent that the Agent has not given a notification under Clause 29.9 (*Pro rata interest settlement*)), Break Costs and other amounts payable in relation thereto under the Finance Documents.

- (b) The replacement of a Lender pursuant to this Clause 41.8 shall be subject to the following conditions:
  - (i) the Company shall have no right to replace the Agent or Security Agent;
  - (ii) neither the Agent nor the Lender shall have any obligation to the Company to find a Replacement Lender;
  - (iii) in the event of a replacement of a Non-Consenting Lender such replacement must take place no later than 90 days after the date on which that Lender is deemed a Non-Consenting Lender;
  - (iv) in no event shall the Lender replaced under Clause 41.8 be required to pay or surrender to such Replacement Lender any of the fees received by such Lender pursuant to the Finance Documents; and
  - (v) the Lender shall only be obliged to transfer its rights and obligations pursuant to paragraph (a) above once it is satisfied that it has complied with all necessary "know your customer" or other similar checks under all applicable laws and regulations in relation to that transfer.
- (c) A Lender shall perform the checks described in paragraph (b)(v) above as soon as reasonably practicable following delivery of a notice referred to in paragraph (a) above and shall notify the Agent and the Company when it is satisfied that it has complied with those checks.
- (d) In the event that:
  - (i) the Company or the Agent (at the request of the Company) has requested the Lenders to give a consent in relation to, or to agree to a waiver or amendment of, any provisions of the Finance Documents;
  - (ii) the consent, waiver or amendment in question requires the approval of all the Lenders or the Super Majority Lenders; and
  - (iii) Lenders whose Commitments aggregate either:
    - (A) in the case of a consent, waiver or amendment requiring the approval of all the Lenders, more than 75 per cent. of the Total

Commitments (or, if the Total Commitments have been reduced to zero, aggregated more than 75 per cent. of the Total Commitments prior to that reduction); or

- (B) in the case of a consent, waiver or amendment requiring the approval of the Super Majority Lenders, more than  $66\frac{2}{3}$  per cent. of the Total Commitments (or, if the Total Commitments have been reduced to zero, aggregated more than  $66\frac{2}{3}$  per cent. of the Total Commitments prior to that reduction),

have consented or agreed to such waiver or amendment,

then any Lender who does not and continues not to consent or agree to such waiver or amendment shall be deemed a **"Non-Consenting Lender"**.

#### 41.9 Disenfranchisement of Defaulting Lenders

- (a) For so long as a Defaulting Lender has any Available Commitment, in ascertaining:

- (i) the Majority Lenders or the Super Majority Lenders; or

- (ii) whether:

- (A) any given percentage (including, for the avoidance of doubt, unanimity) of the Total Commitments under the relevant Facility/ies; or

- (B) the agreement of any specified group of Lenders,

has been obtained to approve any request for a consent, waiver, amendment or other vote of Lenders under the Finance Documents,

that Defaulting Lender's Commitments under the relevant Facility/ies will be reduced by the amount of its Available Commitments under the relevant Facility/ies and, to the extent that that reduction results in that Defaulting Lender's Total Commitments being zero, that Defaulting Lender shall be deemed not to be a Lender for the purposes of paragraphs (i) and (ii) above.

- (b) For the purposes of this Clause 41.9, the Agent may assume that the following Lenders are Defaulting Lenders:

- (i) any Lender which has notified the Agent that it has become a Defaulting Lender;

- (ii) any Lender in relation to which it is aware that any of the events or circumstances referred to in paragraphs (a), (b) or (c) of the definition of "Defaulting Lender" has occurred,

unless it has received notice to the contrary from the Lender concerned (together with any supporting evidence reasonably requested by the Agent) or

the Agent is otherwise aware that the Lender has ceased to be a Defaulting Lender.

#### 41.10 Replacement of a Defaulting Lender

(a) The Company may, at any time a Lender has become and continues to be a Defaulting Lender, by giving five Business Days' prior written notice to the Agent and such Lender:

- (i) replace such Lender by requiring such Lender to (and, to the extent permitted by law, such Lender shall) transfer pursuant to Clause 29 (*Changes to the Lenders*) all (and not part only) of its rights and obligations under this Agreement;
- (ii) require such Lender to (and, to the extent permitted by law, such Lender shall) transfer pursuant to Clause 29 (*Changes to the Lenders*) all (and not part only) of the undrawn Revolving Facility Commitment of the Lender; or
- (iii) require such Lender to (and, to the extent permitted by law, such Lender shall) transfer pursuant to Clause 29 (*Changes to the Lenders*) all (and not part only) of its rights and obligations in respect of the Revolving Facility,

to a Lender or other bank, financial institution, trust, fund or other entity (a "**Replacement Lender**") selected by the Company, which is acceptable (in the case of any transfer of a Revolving Facility Commitment) to the Issuing Bank and which confirms its willingness to assume and does assume all the obligations or all the relevant obligations of the transferring Lender in accordance with Clause 29 (*Changes to the Lenders*) for a purchase price in cash payable at the time of transfer which is either:

- (i) in an amount equal to the outstanding principal amount of such Lender's participation in the outstanding Utilisations and all accrued interest and/or Letter of Credit fees (to the extent that the Agent has not given a notification under Clause 29.9 (*Pro rata interest settlement*)), Break Costs and other amounts payable in relation thereto under the Finance Documents; or
- (ii) in an amount agreed between that Defaulting Lender, the Replacement Lender and the Company and which does not exceed the amount described in paragraph (i) above.

(b) Any transfer of rights and obligations of a Defaulting Lender pursuant to this Clause 41.10 shall be subject to the following conditions:

- (i) the Company shall have no right to replace the Agent or Security Agent;
- (ii) neither the Agent nor the Defaulting Lender shall have any obligation to the Company to find a Replacement Lender;



- (iii) the transfer must take place no later than 60 days after the notice referred to in paragraph (a) above;
  - (iv) in no event shall the Defaulting Lender be required to pay or surrender to the Replacement Lender any of the fees received by the Defaulting Lender pursuant to the Finance Documents; and
  - (v) the Defaulting Lender shall only be obliged to transfer its rights and obligations pursuant to paragraph (a) above once it is satisfied that it has complied with all necessary "know your customer" or other similar checks under all applicable laws and regulations in relation to that transfer to the Replacement Lender.
- (c) The Defaulting Lender shall perform the checks described in paragraph (b)(v) above as soon as reasonably practicable following delivery of a notice referred to in paragraph (a) above and shall notify the Agent and the Company when it is satisfied that it has complied with those checks.

## **42. CONFIDENTIALITY**

### **42.1 Confidential Information**

Each Finance Party agrees to keep all Confidential Information confidential and not to disclose it to anyone, save to the extent permitted by Clause 42.2 (*Disclosure of Confidential Information*) and Clause 42.3 (*Disclosure to numbering service providers*), and to ensure that all Confidential Information is protected with security measures and a degree of care that would apply to its own confidential information.

### **42.2 Disclosure of Confidential Information**

Any Finance Party may disclose:

- (a) to any of its Affiliates and Related Funds and any of its or their officers, directors, employees, professional advisers, auditors, partners and Representatives such Confidential Information as that Finance Party shall consider appropriate if any person to whom the Confidential Information is to be given pursuant to this paragraph (a) is informed in writing of its confidential nature and that some or all of such Confidential Information may be price-sensitive information except that there shall be no such requirement to so inform if the recipient is subject to professional obligations to maintain the confidentiality of the information or is otherwise bound by requirements of confidentiality in relation to the Confidential Information;
- (b) to any person:
  - (i) to (or through) whom it assigns or transfers (or may potentially assign or transfer) all or any of its rights and/or obligations under one or more Finance Documents or which succeeds (or which may potentially succeed) it as Agent or Security Agent and, in each case, to any of that person's Affiliates, Related Funds, Representatives and professional advisers;

- (ii) with (or through) whom it enters into (or may potentially enter into), whether directly or indirectly, any sub-participation in relation to, or any other transaction under which payments are to be made or may be made by reference to, one or more Finance Documents and/or one or more Obligors and to any of that person's Affiliates, Related Funds, Representatives and professional advisers;
- (iii) appointed by any Finance Party or by a person to whom paragraph (b)(i) or (ii) above applies to receive communications, notices, information or documents delivered pursuant to the Finance Documents on its behalf (including, without limitation, any person appointed under paragraph (c) of Clause 32.15 (*Relationship with the Lenders*));
- (iv) who invests in or otherwise finances (or may potentially invest in or otherwise finance), directly or indirectly, any transaction referred to in paragraph (b)(i) or (b)(ii) above;
- (v) to whom information is required or requested to be disclosed by any court of competent jurisdiction or any governmental, banking, taxation or other regulatory authority or similar body, the rules of any relevant stock exchange or pursuant to any applicable law or regulation;
- (vi) to whom information is required to be disclosed in connection with, and for the purposes of, any litigation, arbitration, administrative or other investigations, proceedings or disputes;
- (vii) to whom or for whose benefit that Finance Party charges, assigns or otherwise creates Security (or may do so) pursuant to Clause 29.8 (*Security over Lenders' rights*);
- (viii) who is a Party; or
- (ix) with the consent of the Company;

in each case, such Confidential Information as that Finance Party shall consider appropriate if:

- (A) in relation to paragraphs (b)(i), (b)(ii) and b(iii) above, the person to whom the Confidential Information is to be given has entered into a Confidentiality Undertaking except that there shall be no requirement for a Confidentiality Undertaking if the recipient is a professional adviser and is subject to professional obligations to maintain the confidentiality of the Confidential Information;
- (B) in relation to paragraph (b)(iv) above, the person to whom the Confidential Information is to be given has entered into a Confidentiality Undertaking or is otherwise bound by requirements of confidentiality in relation to the Confidential Information they receive and is informed that some or all of

such Confidential Information may be price-sensitive information;

- (C) in relation to paragraphs (b)(v), (b)(vi) and (b)(vii) above, the person to whom the Confidential Information is to be given is informed of its confidential nature and that some or all of such Confidential Information may be price-sensitive information except that there shall be no requirement to so inform if, in the opinion of that Finance Party, it is not practicable so to do in the circumstances;
- (c) to any person appointed by that Finance Party or by a person to whom paragraph (b)(i) or (b)(ii) above applies to provide administration or settlement services in respect of one or more of the Finance Documents including without limitation, in relation to the trading of participations in respect of the Finance Documents, such Confidential Information as may be required to be disclosed to enable such service provider to provide any of the services referred to in this paragraph (c) if the service provider to whom the Confidential Information is to be given has entered into a confidentiality agreement substantially in the form of the LMA Master Confidentiality Undertaking for Use With Administration/Settlement Service Providers or such other form of confidentiality undertaking agreed between the Company and the relevant Finance Party; and
- (d) to any rating agency (including its professional advisers) such Confidential Information as may be required to be disclosed to enable such rating agency to carry out its normal rating activities in relation to the Finance Documents and/or the Obligors if the rating agency to whom the Confidential Information is to be given is informed of its confidential nature and that some or all of such Confidential Information may be price-sensitive information.

#### **42.3 Disclosure to numbering service providers**

- (a) Any Finance Party may disclose to any national or international numbering service provider appointed by that Finance Party to provide identification numbering services in respect of this Agreement, the Facilities and/or one or more Obligors the following information:
  - (i) names of Obligors;
  - (ii) country of domicile of Obligors;
  - (iii) place of incorporation of Obligors;
  - (iv) date of this Agreement;
  - (v) Clause 45 (*Governing law*);
  - (vi) the names of the Agent and the Arranger;
  - (vii) date of each amendment and restatement of this Agreement;

- (viii) amounts of, and names of, the Facilities (and any tranches);
- (ix) amount of Total Commitments;
- (x) currencies of the Facilities;
- (xi) type of Facilities;
- (xii) ranking of Facilities;
- (xiii) Termination Date for Facilities;
- (xiv) changes to any of the information previously supplied pursuant to paragraphs (i) to (xiii) above; and
- (xv) such other information agreed between such Finance Party and the Company,

to enable such numbering service provider to provide its usual syndicated loan numbering identification services.

- (b) The Parties acknowledge and agree that each identification number assigned to this Agreement, the Facilities and/or one or more Obligors by a numbering service provider and the information associated with each such number may be disclosed to users of its services in accordance with the standard terms and conditions of that numbering service provider.
- (c) The Company represents on the date of this Agreement only that none of the information set out in paragraphs (i) to (xv) of paragraph (a) above is unpublished price sensitive information. The Company shall notify the Agent if it or any member of the Group becomes aware at any time after the date of this Agreement that any of the information set out in paragraph (i) to (xv) of paragraph (a) above has become unpublished price sensitive information.
- (d) The Agent shall notify the Company and the other Finance Parties of:
  - (i) the name of any numbering service provider appointed by the Agent in respect of this Agreement, the Facilities and/or one or more Obligors; and
  - (ii) the number or, as the case may be, numbers assigned to this Agreement, the Facilities and/or one or more Obligors by such numbering service provider.

#### **42.4 Entire agreement**

This Clause 42 constitutes the entire agreement between the Parties in relation to the obligations of the Finance Parties under the Finance Documents regarding Confidential Information and supersedes any previous agreement, whether express or implied, regarding Confidential Information.

#### **42.5 Inside information**

Each of the Finance Parties acknowledges that some or all of the Confidential Information is or may be price-sensitive information and that the use of such information may be regulated or prohibited by applicable legislation including securities law relating to insider dealing and market abuse and each of the Finance Parties undertakes not to use any Confidential Information for any unlawful purpose.

#### **42.6 Notification of disclosure**

Each of the Finance Parties agrees (to the extent permitted by law and regulation) to inform the Company:

- (a) of the circumstances of any disclosure of Confidential Information made pursuant to paragraph (b)(v) of Clause 42.2 (*Disclosure of Confidential Information*) except where such disclosure is made to any of the persons referred to in that paragraph during the ordinary course of its supervisory or regulatory function; and
- (b) upon becoming aware that Confidential Information has been disclosed in breach of this Clause 42.

#### **42.7 Continuing obligations**

The obligations in this Clause 42 are continuing and, in particular, shall survive and remain binding on each Finance Party for a period of twelve months from the earlier of:

- (a) the date on which all amounts payable by the Obligors under or in connection with the Finance Documents have been paid in full and all Commitments have been cancelled or otherwise cease to be available; and
- (b) the date on which such Finance Party otherwise ceases to be a Finance Party.

### **43. COUNTERPARTS**

Each Finance Document may be executed in any number of counterparts, and this has the same effect as if the signatures on the counterparts were on a single copy of the Finance Document.

### **44. EXECUTIVE PROCEEDINGS**

#### **44.1 Notarial document**

This Agreement, the Intercreditor Agreement, each Spanish Share Pledge, each Accession Deed in respect of any Spanish Obligor as well as any amendments hereto or thereto, will be formalised in a Spanish Public Document at the cost of the Company as soon as reasonably practicable, and in relation to this Agreement and any amendments in respect thereof entered into on or prior to the Closing Date and the Intercreditor Agreement by no later than 14 May 2013 unless the issue of the Senior Secured Notes is made at a later date, so that it may have the status of a notarial document for all purposes contemplated in Article 517 of the Spanish Civil

Procedural Law (Law 1/2000 of 7<sup>th</sup> January) ("*Ley de Enjuiciamiento Civil*") (the "**Civil Procedure Law**")

#### **44.2 Determination of Debt**

For the purpose of the provisions of Article 572 et seq. of the Spanish Civil Procedural Law, it is expressly agreed by the Parties that the determination of the due amounts to be claimed through executive proceedings shall be calculated by the Agent (or the relevant Lender, as the case may be) following its accounting provisions and that any amounts so calculated shall be deemed true, net, due and payable.

#### **44.3 Authority to obtain notarised copies**

The Obligors expressly authorise the Agent and each Lender, as appropriate, to request and obtain certificates evidencing the entry of this Agreement in the Register of Transactions of the Notary authorising the same, and to obtain the approval certificate referred to in number 5 of Article 517, of the Civil Procedural Law. The cost of such certificate will be for the account of the Spanish Obligors.

## **SECTION 12**

### **GOVERNING LAW AND ENFORCEMENT**

#### **45. GOVERNING LAW**

This Agreement and any non-contractual obligations arising out of or in connection with it are governed by English law.

#### **46. ENFORCEMENT**

##### **46.1 Jurisdiction of English courts**

- (a) The courts of England have exclusive jurisdiction to settle any dispute arising out of or in connection with this Agreement (including a dispute relating to the existence, validity or termination of this Agreement or the consequences of its nullity) or any non-contractual obligations arising out of or in connection with this Agreement (a "**Dispute**").
- (b) The Parties agree that the courts of England are the most appropriate and convenient courts to settle Disputes and accordingly no Party will argue to the contrary.
- (c) This Clause 46.1 is for the benefit of the Finance Parties and Secured Parties only. As a result, no Finance Party or Secured Party shall be prevented from taking proceedings relating to a Dispute in any other courts with jurisdiction. To the extent allowed by law, the Finance Parties and Secured Parties may take concurrent proceedings in any number of jurisdictions.

##### **46.2 Service of process**

Each Obligor agrees that the documents which start any proceedings before the English courts in relation to any Finance Document, and any other documents required to be served in connection with those proceedings, may be served on it by being delivered to Gestamp Washington UK, Ltd at its registered office or place of business in England and Wales, or to such other address in England and Wales as each such Obligor may specify by notice in writing to the Agent. Nothing in this paragraph shall affect the right of any Finance Party to serve process in any other manner permitted by law. This Clause applies to proceedings in England and proceedings elsewhere but not to proceedings in Spain.

**This Agreement has been entered into on the date stated at the beginning of this Agreement.**

**SCHEDULE 1**  
**THE ORIGINAL PARTIES**  
**PART I**  
**THE ORIGINAL OBLIGORS**

<u>Name of Original Borrower</u>	<u>Registration number (or equivalent, if any) Original Jurisdiction</u>
Gestamp Automoción S.A.	Spain
Gestamp Funding Luxembourg, S.A.	Luxembourg

**LIST OF GUARANTORS**

<u>Name of Original Guarantor</u>	<u>Identification Number</u>	<u>Original Jurisdiction</u>	<u>% of Assets</u>	<u>% of EBITDA</u>
Edscha Automotive Hengersberg, GmbH	108/125/20259	Germany	1.8	5.6
Edscha Holding, GmbH	126/5734/1036	Germany	0	4.7
Gestamp Griwe Haynrode, GmbH	15710904216	Germany	2.7 (consolidated figure for the Griwe group)	3.2 (consolidated figure for the Griwe group)
Gestamp Griwe Westenburg, GmbH	26701053	Germany	2.7 (consolidated figure for the Griwe group)	3.2 (consolidated figure for the Griwe group)
Gestamp Griwe Hot Stamping, GmbH	2670131616	Germany	2.7 (consolidated figure for the Griwe group)	3.2 (consolidated figure for the Griwe group)
Edscha Automotive Hauzenberg, GmbH	9153/125/20718	Germany	1.1	2.7
Gestamp Umformtechnik, GmbH	DE 811744981	Germany	2.7	2.2
Edscha Hengersberg Real Estate, GmbH & Co. KG	108/157/03508	Germany	0.2	0.3
Edscha Hauzenberg Real Estate, GmbH & Co. KG	153/157/05808	Germany	0.1	0.1
Edscha Engineering, GmbH	136/5734/1047	Germany	0.5	-0.2
Gestamp Servicios S.A.	A82275330	Spain	1.3	2.4
Gestamp Navarra S.A.	A3166301	Spain	0.9	2.2
Gestamp Bizkaia S.A.	A48255863	Spain	2.4	2.1
Gestamp Metalbages S.A.	A08279093	Spain	0.7	1.8
Gestamp Esmar S.A.	A08133175	Spain	0.3	0.8
Gestamp Palencia S.A.	A34159814	Spain	1.2	0.7
Gestamp Abrera S.A.	A31430058	Spain	1.2	0.6
Gestamp Solblank Barcelona S.A.	A59862714	Spain	0.4	0.4
Loire S.A.F.E.	A20022844	Spain	0.5	0.4
Gestamp Aragón S.A.	A58454877	Spain	0.5	0.4
Gestamp Linares S.A.	A23396625	Spain	0.9	0.2
Gestamp Vigo S.A.	A36618247	Spain	0.9	0.2
Gestamp Automoción S.A.	A48943864	Spain	2.4	0.1
Gestamp Galvanizados S.A.	A34183541	Spain	0.1	0
Sofedit España S.A.	A47389739	Spain	0.1	0



<b>Name of Original Guarantor</b>	<b>Identification Number</b>	<b>Original Jurisdiction</b>	<b>% of Assets</b>	<b>% of EBITDA</b>
Ingeniería Global Metalbages S.A.	A61895876	Spain	0	0
Gestamp Noury, S.A.S.	B 390 803 955	France	0.6	0.7
Gestamp Ronchamp, S.A.S.	B-945 950 830	France	0.5	0.5
Edscha Briey, S.A.S.	FR 27519690309	France	0.6	0.3
Sofedit, S.A.S.	RCS de ALENCON 443 782 784	France	2.8	0.2
SCI Tournan en Brie	RCS Melun D 348 073 024	France	0	0
Edscha Engineering France, S.A.S.	FR78520040593	France	0	0
Gestamp Prisma, S.A.S.	RCS de Sedan 410 140 396	France	0.4	−0.1
Gestamp Hungaria, Kft	11887023-2-07	Hungary	0.9	0.5
Gestamp Polska, Sp. z.o.o.	KRS0000126702	Poland	1.8	4.0
Sofedit Polska, Sp. z.o.o.	KRS0000017870	Poland	0.2	0.2
Gestamp Aveiro—Indústria de Acessórios de Automóveis, S.A.	PT 502094486	Portugal	1.5	0.9
Gestamp Ceveira, Lda.	PT 503478130	Portugal	0.7	0.6
Gestamp Vendas Novas, Unipessoal, Lda.	PT509363270	Portugal	0.3	0.2
Edscha Automotive Kamenice, s.r.o.	289 73 453	Czech Republic	1.1	1.9
Edscha Hradec, s.r.o.	289 68 697	Czech Republic	0.0	0.0
Gestamp Louny, s.r.o.	290 44 189	Czech Republic	1.0	−0.4
Gestamp Tallent, Ltd.	GB 321 5440 00	England and Wales	5.2	7.3
Gestamp Washington UK, Ltd.	GB-715566328	England and Wales	0.4	0.5
Edscha Velky Meder, s.r.o.	36 865 338	Slovak Republic	0.2	0.2
Gestamp HardTech AB	SE556387733001	Sweden	2.9	1.4
Gestamp Sweden AB	556667-6796	Sweden	0.2	0.0
Gestamp Funding Luxembourg, S.A.	B176602	Luxembourg	0.0	0.0
<b>TOTALS</b>			<b>44.2</b>	<b>49.8</b>

**PART II**  
**THE ORIGINAL LENDERS**

<u>Name of Original Lender</u>	<u>Facility A Commitment (EUR)</u>	<u>Revolving Facility Commitment (EUR)</u>	<u>Status (Non-Acceptable L/C Lender: Yes/No)</u>
Banc of America Securities Limited . . . . .			No
Banco Bilbao Vizcaya Argentaria, S.A. . . . .			No
Banco de Sabadell, S.A. . . . .			No
Banco Popular Español, S.A. . . . .			No
Banco Santander, S.A. . . . .			No
Bankia, S.A. . . . .			No
Bankinter, S.A. . . . .			No
Barclays Bank, S.A.U. . . . .			No
Caixabank S.A. . . . .			No
Commerzbank Aktiengesellschaft, Filiale Luxemburg .			No
Deutsche Bank AG, London Branch . . . . .			No
Deutsche Bank, S.A.E. . . . .			No
Erste Group Bank AG . . . . .			No
Itaú BBA International Limited . . . . .			No
J.P. Morgan Europe Limited . . . . .			No
J.P. Morgan Securities plc . . . . .			No
SGBT Asset Based Funding S.A. . . . .			No
Société Générale, Sucursal en España . . . . .			No
Total . . . . .			

**SCHEDULE 2**  
**CONDITIONS PRECEDENT**

**PART I**  
**CONDITIONS PRECEDENT**

**1. Obligors**

1.1 For all Obligors (other than Czech Guarantors to which paragraph 1.7 shall apply):

- (a) A copy of the constitutional documents of each Original Obligor (other than any Hungarian Obligor and Slovak Obligor, to which paragraphs 1.8 and 1.9 shall apply respectively).
  - (b) A copy of a resolution of the board of directors, management body or relevant administrators of each Original Obligor (other than any German Obligor, or a French Guarantor incorporated under the form of a Société par actions simplifiée) or, in the case of a Hungarian Obligor or a Slovak Obligor, the executive or the managing director(s) unless any of the items listed in (i) to (iv) below requires a resolution signed by the holders of the issued shares in each Obligor in which case paragraph (c) shall apply (save for the Polish Guarantors for whom both (b) and (c) shall apply):
    - (i) approving the terms of, and the transactions contemplated by, the Finance Documents to which it is a party and resolving that it execute, deliver and perform the Finance Documents to which it is a party;
    - (ii) authorising a specified person or persons to execute the Finance Documents to which it is a party on its behalf;
    - (iii) authorising a specified person or persons, on its behalf, to sign and/or despatch all documents and notices (including, if relevant, any Utilisation Request and Selection Notice) to be signed and/or despatched by it under or in connection with the Finance Documents to which it is a party; and
    - (iv) in the case of an Obligor other than the Company, authorising the Company to act as its agent in connection with the Finance Documents.
  - (c) If required by law or by the by-laws of the relevant Original Guarantor (and in respect of each German Obligor and each Hungarian Obligor) a copy of a resolution signed by all the holders of the issued shares in each Original Guarantor (other than the Company), approving the terms of, and the transactions contemplated by, the Finance Documents to which the Original Guarantor is a party and instructing the Original Guarantor to execute the Finance Documents to which the Original Guarantor is a party.
  - (d) For all Obligors a specimen of the signature of each person authorised by the resolution referred to in paragraph (b) or if applicable paragraph (c) above in relation to the Finance Documents and related documents.
  - (e) If required by law or by the by-laws of the relevant Original Guarantor a copy of a resolution of the board of directors of each corporate shareholder of each Original Guarantor (other than the Company) approving the terms of the resolution referred to in paragraph (c) above.
- 1.2 a certificate of the Company (signed by a director) confirming that borrowing or guaranteeing or securing, as appropriate, the Total Commitments would not cause any borrowing, guarantee, security or similar limit binding on any Original Obligor to be exceeded.
- 1.3 a certificate of an authorised signatory of the Company or other relevant Original Obligor certifying that each copy document relating to it specified in this Part 1 of Schedule 2 is correct, complete and in full force and effect and has not been amended or superseded as at a date no earlier than the date of this Agreement.
- 1.4 excerpts from the Polish pledges' register (issued on the date of this Agreement) confirming that the shares and assets of each Polish Guarantor are not encumbered with any registered pledge.
- 1.5 applications to the Polish Central Register of Treasury Pledges (filed no earlier than 7 days before the date of this Agreement) regarding treasury pledges established over the shares and assets of any Polish Guarantor.

- 1.6 The relevant financial transaction number (*número de operación financiera*) obtained from the Bank of Spain in the case of a Spanish Borrower.
- 1.7 For each Czech Guarantor:
- (a) a copy of an up-to-date version of the foundation deed (in Czech *zakladatelská listina*) or memorandum of association (in Czech *společenská smlouva*);
  - (b) if applicable a copy of an up-to-date version of the articles of association (in Czech *stanovy*);
  - (c) a copy of minutes of a managing directors meeting of each Czech Guarantor:
    - (i) approving the terms of, and the transactions contemplated by, the Finance Documents to which it is a party and resolving that it executes, delivers and performs the Finance Documents to which it is a party;
    - (ii) authorising a specified person or persons to execute the Finance Documents to which it is a party on its behalf; and
    - (iii) authorising a specified person or persons, on its behalf, to sign and/or despatch all documents and notices (including, if relevant, any Utilisation Request and Selection Notice) to be signed and/or despatched by it under or in connection with the Finance Documents to which it is a party;
  - (d) a copy of a resolution of the general meeting approved by all the shareholders (or of the approval of the sole shareholder) of each Czech Guarantor, approving the terms of, and the transactions contemplated by, the Finance Documents to which such Czech Guarantor is a party and instructing such Czech Guarantor to execute the Finance Documents to which such Czech Guarantor is a party;
  - (e) a specimen of the signature of each person authorised by the resolution referred to in paragraph (d) above in relation to the Finance Documents and related documents; and
  - (f) if required by law, a copy of a resolution of the board of directors of each corporate shareholder of each Czech Guarantor approving the terms of the resolution referred to in paragraph (d) above.
- 1.8 For each Hungarian Guarantor, a deed of foundation.
- 1.9 For each Slovak Guarantor a copy of the up-to-date extract from the commercial register, a copy of the foundation deed (in Slovak *zakladatelská listina*) or the memorandum of association (in Slovak *společenská smlouva*) and its up-to-date version, and, if applicable, a copy of the up-to-date articles of association (in Slovak *stanovy*).
- 1.10 For each Luxembourg Obligor :
- (a) a copy of an up-to-date extract from the Luxembourg Register of Commerce and Companies for such Obligor or, if not available, a notarial certificate of good standing (*certificat de coutume*) with a content similar to such extract;
  - (b) if available, a copy of an up-to-date negative certificate (*certificat négatif*) issued by the Luxembourg Register of Commerce and Companies for such Obligor; and
  - (c) a copy of the up-to-date register of members of such Obligor.
- 1.11 For each Polish Guarantor, if applicable, a copy of a resolution of the supervisory board approving the terms of, and the transactions contemplated by, the Finance Documents to which such Polish Guarantor is a party.
- 1.12 For each German Obligor, if applicable, a copy of a resolution of the supervisory board (*Aufsichtsrat*) and/or advisory board (*Beirat*) of such Original Obligor approving the terms of, and the transactions contemplated by the Finance Documents.
- 1.13 For each French Obligor:
- (a) an updated copy of the by-laws ("*status*");
  - (b) an original K-bis extract ("*extrait K-bis*");
  - (c) an original solvency certificate ("*certificat de recherche en matière de procédures collectives*"); and

(d) an original company search (“*état des inscriptions des privileges et des nantissements*”).

## 2. Finance Documents

(a) The Intercreditor Agreement executed by the members of the Group party to that Agreement, the Equity Investors and the Equity Investor Affiliates (as defined therein) and each Senior Creditor (as defined therein) that is not a Finance Party but that is party to that Agreement (as defined therein).

(b) This Agreement executed by the members of the Group party to this Agreement.

(c) The Fee Letters executed by the Company.

## 3. Legal opinions

The following legal opinions, each addressed to the Agent, the Security Agent and the Original Lenders and capable of being relied upon by any persons who become Lenders pursuant to the primary syndication of the Facilities.

(a) A legal opinion of Clifford Chance LLP, legal advisers to the Agent and the Arranger as to English law substantially in the form distributed to the Original Lenders prior to signing this Agreement prior to the Closing Date.

(b) A legal opinion of the following legal advisers to the Agent and the Arranger:

(i) Clifford Chance S.L. as to Spanish law;

(ii) Clifford Chance Partnerschaftsgesellschaft von Rechtsanwälten as to German law;

(iii) Clifford Chance Europe LLP as to French law;

(iv) Lakatos, Köves és Társai Ügyvédi Iroda as to Hungarian law;

(v) Clifford Chance, Janicka, Krużewski, Namiotkiewicz, Wspólnicy as to Polish law;

(vi) PLMJ-Sociedade de Advogados as to Portuguese law;

(vii) Clifford Chance LLP, sdružení ad vokátů as to Czech law;

(viii) Clifford Chance as to Luxembourg law;

(ix) Clifford Chance LLP, sdružení ad vokátů as to Slovak law; and

(x) Advokatfirman Cederquist KB as to Swedish law,

each substantially in the form distributed to the Original Lenders prior to the Closing Date.

(c) A legal opinion of the following advisers to the Company:

(i) Cuatrecasas as to Spanish law;

(ii) Cuatrecasas as to French law;

(iii) AC Tischendorf Rechtsanwälte as to German law; and

(iv) Gide as to Polish law,

each substantially in the form distributed to the Original Lenders prior to the Closing Date.

## 4. Other documents and evidence

(a) The Group Structure Chart.

(b) A copy, certified by an authorised signatory of the Company to be a true copy, of the Original Financial Statements of the Company.

(c) A Certificate of the Company addressed to the Agent on behalf of the Finance Parties confirming which companies within the Group are Material Companies.

(d) Evidence that the fees, costs and expenses then due and payable from the Company pursuant to Clause 17 (*Fees*), Clause 17.5 (*Fees payable in respect of Letters of Credit*), Clause 17.6 (*Interest, commission and fees on Ancillary Facilities*), Clause 18.6 (*Stamp taxes*) and Clause 22 (*Costs and expenses*) have been paid or will be paid by the first Utilisation Date.

- (e) The Funds Flow Statement in a form agreed by the Company and the Agent detailing the proposed movement of funds on or before the Closing Date.
- (f) A certificate of the Company (signed by a director) certifying that:
  - (i) the aggregate amount of the Facility B Commitments (if any) and the aggregate principal amount of the Senior Secured Notes are together at least EUR 580,000,000;
  - (ii) such Senior Secured Notes have been or will on the first Utilisation Date be issued and subscribed for and mature later than the Termination Date for Facility B or, if no Facility B Commitments have been established pursuant to Clause 2.2 (*Uncommitted Facility B*), for Facility A; and
  - (iii) all conditions precedent to the issue and purchase of the Senior Secured Notes have been or will on the Closing Date be fulfilled or have been waived.
- (g) Evidence that each borrower and each guarantor in respect of the BAML Facility, the ICO Facility and the SG Facility are also Guarantors, and that the Guarantors do not include any member of the Group which is not a borrower or a guarantor under the BAML Facility, the ICO Facility and the SG Facility.
- (h) Evidence that all commitments under:
  - (i) the syndicated facilities made available to the Company pursuant to facility agreements dated 30 July 2008, 27 July 2010 and 20 December 2012 in initial amounts of EUR 510,000,000, EUR 354,833,333.33 and EUR 389,175,000 respectively; and
  - (ii) the bilateral facility made available to the Company by Itaú BBA International Limited pursuant to a facility agreement dated 8 February 2013 in an initial amount of EUR 50,000,000,

will be cancelled on the Closing Date and that all outstandings thereunder will be prepaid in full on or before the date falling two Business Days after the Closing Date, such evidence to be in the form of (a) cancellation and prepayment notices in respect of each such facility; (b) a redemption statement in respect of each such facility; and (c) authorisation in the initial Utilisation Request for the Agent to apply the proceeds of first Utilisation in amounts equal to those in each redemption notice in prepayment of the relevant facilities.

**PART II**  
**CONDITIONS PRECEDENT REQUIRED TO BE**  
**DELIVERED BY AN ADDITIONAL OBLIGOR**

1. For all Additional Obligors:
  - 1.1 A copy of the constitutional documents.
  - 1.2 An Accession Deed executed by the Additional Obligor and the Company.
  - 1.3 A copy of a resolution of the executive, board of directors, management body or relevant administrators of the Additional Obligor (unless any of the items listed in (a) to (d) below requires a resolution signed by the holders of the issued shares in such Additional Obligor, in such a case paragraph 1.4 shall apply instead of this paragraph 1.3 save for a Polish Guarantor for whom both paragraphs 1.3 and 1.4 shall apply):
    - (a) approving the terms of, and the transactions contemplated by, the Accession Deed and the Finance Documents and resolving that it execute, deliver and perform the Accession Deed and any other Finance Document to which it is a party;
    - (b) authorising a specified person or persons to execute the Accession Deed and other Finance Documents on its behalf;
    - (c) authorising a specified person or persons, on its behalf, to sign and/or despatch all other documents and notices (including, in relation to an Additional Borrower, any Utilisation Request or Selection Notice) to be signed and/or despatched by it under or in connection with the Finance Documents to which it is a party; and
    - (d) authorising the Company to act as its agent in connection with the Finance Documents.
  - 1.4 If required by law or by the by-laws of the relevant Additional Guarantor, a copy of a resolution signed by all the holders of the issued shares of the Additional Guarantor, approving the terms of, and the transactions contemplated by, the Finance Documents to which the Additional Guarantor is a party, and instructing the Additional Guarantor to execute the Finance Documents to which it is a party.
  - 1.5 A specimen of the signature of each person authorised by the resolution referred to in paragraph 1.3 above.
  - 1.6 If required by law or by the by-laws of the relevant Additional Guarantor, a copy of a resolution of the board of directors of each corporate shareholder of each Additional Guarantor approving the terms of the resolution referred to in paragraph 1.3 above.
  - 1.7 A certificate of the Additional Obligor (signed by a director) confirming that borrowing or guaranteeing or securing, as appropriate, the Total Commitments would not cause any borrowing, guarantee, security or similar limit binding on it to be exceeded.
  - 1.8 A certificate of an authorised signatory of the Additional Obligor certifying that each copy document listed in this Part II of Schedule 2 is correct, complete and in full force and effect and has not been amended or superseded as at a date no earlier than the date of the Accession Deed.
  - 1.9 If available, the latest audited financial statements of the Additional Obligor.
  - 1.10 The following legal opinions, each addressed to the Agent, the Security Agent and the Lenders:
    - (a) A legal opinion of the legal advisers to the Agent in England, as to English law in the form distributed to the Lenders prior to signing the Accession Deed.
    - (b) If the Additional Obligor is incorporated in or has its “centre of main interest” or “establishment” (as referred to in Clause 24.25 (*Centre of main interests and establishments*)) in a jurisdiction other than England and Wales or is executing a Finance Document which is governed by a law other than English law, a legal opinion of the legal advisers to the Agent in the jurisdiction of its incorporation, “centre of main interest” or “establishment” (as applicable) or, as the case may be, the jurisdiction of the governing law of that Finance Document (the “**Applicable Jurisdiction**”) as to the law of the Applicable Jurisdiction and in the form distributed to the Lenders prior to signing the Accession Deed.



- 1.11 A copy of any other Authorisation or other document, opinion or assurance which the Agent considers to be necessary or desirable in connection with the entry into and performance of the transactions contemplated by the Accession Letter or for the validity and enforceability of any Finance Document.

If applicable, the relevant financial transaction number (*número de operación financiera*) obtained from the Bank of Spain in respect of an Additional Borrower incorporated in Spain.

2. For each Czech Additional Obligor:
  - (a) a copy of an up-to-date version of the foundation deed (in Czech *zakladatelská listina*) or memorandum of association (in Czech *společenská smlouva*);
  - (b) if applicable a copy of an up-to-date version of the articles of association (in Czech *stanovy*); and
  - (c) if applicable a copy of a resolution of the supervisory board approving the terms of, and the transactions contemplated by, the Finance Documents to which such Additional Obligor is a party.
3. For each Additional Obligor incorporated in Germany, if applicable, a copy of a resolution of the supervisory board (*Aufsichtsrat*) and/or advisory board (*Beirat*) of such Additional Obligor approving the terms of, and the transactions contemplated by the Finance Documents.
4. For each Additional Obligor incorporated in the Slovak Republic:
  - (a) a copy of the up-to-date extract from the commercial register, a copy of the foundation deed (in Slovak *zakladatelská listina*) or the memorandum of association (in Slovak *spoločenská zmluva*) and its up-to-date version, and, if applicable, a copy of the up-to-date articles of association (in Slovak *stanovy*); and
  - (b) if applicable, a copy of the resolution of the general meeting and a resolution of the supervisory board approving the terms of, and the transactions contemplated by, the Finance Documents to which such Additional Obligor is a party and instructing such Additional Obligor to execute the Finance Documents to which such Additional Obligor is a party.
5. For each Additional Obligor incorporated in Poland:
  - (a) if applicable, a copy of a resolution of the supervisory board, approving the terms of, and the transactions contemplated by, the Finance Documents to which such Additional Obligor incorporated in Poland is a party;
  - (b) excerpts from the Polish pledges' register (issued on the date of the relevant Accession Deed) confirming that the shares and assets of each Polish Guarantor are not encumbered with any registered pledge; and
  - (c) excerpts from the Polish Central Register of Treasury Pledges issued no earlier than 14 days before the relevant Accession Deed) confirming that no treasury pledges have been established over the shares and assets of any Polish Guarantor.
6. For each Additional Obligor incorporated in Spain, the Accession Deed shall be raised to the status of a public document before a Spanish notary.
7. For each Additional Obligor incorporated in France, an original dated less than two (2) weeks as at the proposed accession date of:
  - (a) an extract (*extrait K-bis*) provided by the commercial and companies registry (*registre du commerce et des sociétés*); and
  - (b) a solvency certificate (*certificat de recherches en matière de procédures collectives*).



**SCHEDULE 3**  
**REQUESTS AND NOTICES**  
**PART I**  
**UTILISATION REQUEST LOANS**

From: [Borrower]/[Company]\*

To: [Agent]

Dated:

Dear Sirs

**Gestamp Automoción S.A.—€850,000,000 Senior Facilities Agreement**  
**dated 19 April 2013 (the “Facilities Agreement”)**

1. We refer to the Facilities Agreement. This is a Utilisation Request. Terms defined in the Facilities Agreement have the same meaning in this Utilisation Request unless given a different meaning in this Utilisation Request.
2. We wish to borrow a Loan on the following terms:
  - (a) Borrower: [●]
  - (b) Proposed Utilisation Date: [●] (or, if that is not a Business Day, the next Business Day)
  - (c) Facility to be utilised: [Facility A]/[Facility B]/[Revolving Facility]\*\*
  - (d) Currency of Loan: [●]
  - (e) Amount: [●] or, if less, the Available Facility
  - (f) Interest Period: [●]
3. We confirm that each condition specified in Clause 4.2 (*Further conditions precedent*) is satisfied on the date of this Utilisation Request.
4. [This Loan is to be made in [whole]/[part] for the purpose of refinancing [*identify maturing Revolving Facility Loan*]./[The proceeds of this Loan should be credited to [*account*]].
5. This Utilisation Request is irrevocable.

Yours faithfully

.....  
authorised signatory for and on behalf of  
[the Company for and on behalf of] [*insert name of Borrower*]\*\*\*

**NOTES:**

- \* Amend as appropriate. The Utilisation Request can be given by the Borrower or by the Company.
- \*\* Select the Facility to be utilised and delete references to the other Facilities.
- \*\*\* Amend as appropriate. The Utilisation Request can be given by the Borrower or by the Company.

**PART II**  
**UTILISATION REQUEST—LETTERS OF CREDIT**

From: [Borrower]/[Company]\*

To: [Agent]

Dated:

Dear Sirs

**Gestamp Automoción S.A.—€850,000,000 Senior Facilities Agreement**  
**dated 19 April 2013 (the “Facilities Agreement”)**

1. We refer to the Facilities Agreement. This is a Utilisation Request. Terms defined in the Facilities Agreement have the same meaning in this Utilisation Request unless given a different meaning in this Utilisation Request.
2. We wish to arrange for a Letter of Credit to be [issued]/[renewed] by the Issuing Bank specified below (which has agreed to do so) on the following terms:
  - (a) Borrower: [●]
  - (b) Issuing Bank: [●]
  - (c) Proposed Utilisation Date: [●] (or, if that is not a Business Day, the next Business Day)
  - (d) Facility to be utilised: Revolving Facility
  - (e) Currency of Letter of Credit: [●]
  - (f) Amount: [●] or, if less, the Available Facility in relation to the Revolving Facility:
  - (g) Term: [●]
3. We confirm that each condition specified in paragraph (b) of Clause 6.5 (*Issue of Letters of Credit*) is satisfied on the date of this Utilisation Request.
4. We attach a copy of the proposed Letter of Credit.
5. [The purpose of this proposed Letter of Credit is [ ● ].]\*\*
6. This Utilisation Request is irrevocable.
7. Delivery instructions:  
[Specify delivery instructions.]

Yours faithfully,

.....  
authorised signatory for and on behalf of  
[the Company for and on behalf of] [insert name of relevant Borrower]\*\*\*

**NOTES:**

\* Amend as appropriate. The Utilisation Request can be given by the Borrower or by the Company.

\*\* Not required for a renewal.

\*\*\* Amend as appropriate. The Utilisation Request can be given by the Borrower or by the Company.

**PART III**  
**SELECTION NOTICE**  
**Applicable to a Term Loan**

From: [Borrower]/[Company]\*

To: [Agent]

Dated:

Dear Sirs

**Gestamp Automoción S.A.—€850,000,000 Senior Facilities Agreement**  
**dated 19 April 2013 (the “Facilities Agreement”)**

1. We refer to the Facilities Agreement. This is a Selection Notice. Terms defined in the Facilities Agreement have the same meaning in this Selection Notice unless given a different meaning in this Selection Notice.
2. We refer to the following Facility A Loan[s] with an Interest Period ending on [ • ]\*\*.
3. [We request that the above Facility B Loan be divided into two Facility B Loans for the purpose of accommodating a prepayment, with the following Base Currency Amounts and Interest Periods:]\*\*\*
4. [We request that the next Interest Period for the above Facility [A]/[B] Loan[s] is [ • ].\*\*\*\*
5. This Selection Notice is irrevocable.

Yours faithfully

.....  
authorised signatory for and on behalf of  
[the Company for and on behalf of] [*insert name of relevant Borrower*]\*\*\*\*\*

**NOTES:**

- \* Amend as appropriate. The Selection Notice can be given by the Borrower or the Company.
- \*\* Insert details of all Term Loans for the relevant Facility which have an Interest Period ending on the same date.
- \*\*\* Use this option if division of a Facility B Loan is requested.
- \*\*\*\* Use this option if sub-division of Facility B is not required or if Selection Notice relates to Facility A Loans.
- \*\*\*\*\* Amend as appropriate. The Selection Notice can be given by the Borrower or the Company.

**SCHEDULE 4**  
**FORM OF TRANSFER CERTIFICATE**

To: [●] as Agent and [●] as Security Agent

From: [*The Existing Lender*] (the “Existing Lender”) and [*The New Lender*] (the “New Lender”)

Dated:

**Gestamp Automoción S.A.—€850,000,000 Senior Facilities Agreement**  
**dated 19 April 2013 (the “Facilities Agreement”)**

1. We refer to the Facilities Agreement and to the Intercreditor Agreement (as defined in the Facilities Agreement). This agreement (the “Agreement”) shall take effect as a Transfer Certificate for the purpose of the Facilities Agreement and as a Creditor Accession Undertaking for the purposes of the Intercreditor Agreement (and as defined in the Intercreditor Agreement). Terms defined in the Facilities Agreement have the same meaning in this Agreement unless given a different meaning in this Agreement.
2. We refer to Clause 29.5 (*Procedure for transfer*) of the Facilities Agreement:
  - (a) The Existing Lender and the New Lender agree to the Existing Lender transferring to the New Lender by novation and in accordance with Clause 29.5 (*Procedure for transfer*) all of the Existing Lender’s rights and obligations under the Facilities Agreement and the other Finance Documents which relate to that portion of the Existing Lender’s Commitment(s) and participations in Utilisations under the Facilities Agreement as specified in the Schedule.
  - (b) The proposed Transfer Date is [ ● ].
  - (c) The Facility Office and address, fax number and attention details for notices of the New Lender for the purposes of Clause 37.2 (*Addresses*) of the Facilities Agreement are set out in the Schedule.
3. The New Lender expressly acknowledges the limitations on the Existing Lender’s obligations set out in paragraph (c) of Clause 29.4 (*Limitation of responsibility of Existing Lenders*) of the Facilities Agreement.
4. The New Lender confirms, for the benefit of the Agent and without liability to any Obligor, that it is:
  - (a) [not a Qualifying Lender;]
  - (b) [not a Luxembourg Qualifying Lender;]
  - (c) [a Qualifying Lender (other than an EU Lender or a Treaty Lender);]
  - (d) [a Luxembourg Qualifying Lender;]
  - (e) [an EU Lender or a Treaty Lender.]\*
5. [The New Lender confirms that it [is]/[is not]\*\* a Non-Acceptable L/C Lender.]\*\*\*
6. We refer to clause 17.3 (*Change of Senior Facility Lender, Additional Senior Financing Creditor or Bilateral Facility Lender*) of the Intercreditor Agreement.

In consideration of the New Lender being accepted as a Senior Facility Lender for the purposes of the Intercreditor Agreement (and as defined therein), the New Lender confirms that, as from the Transfer Date, it intends to be party to the Intercreditor Agreement as a Senior Facility Lender, and undertakes to perform all the obligations expressed in the Intercreditor Agreement to be assumed by a Senior Facility Lender and agrees that it shall be bound by all the provisions of the Intercreditor Agreement, as if it had been an original party to the Intercreditor Agreement.

7. The New Lender hereby confirms that it has received a copy of each of the Transaction Security Documents which are governed by German law and are pledged, is aware of their contents and hereby expressly consents to the declarations of the Security Agent made on behalf of the New Lender as future pledgee in such Transaction Security Documents.
8. This Agreement may be executed in any number of counterparts and this has the same effect as if the signatures on the counterparts were on a single copy of this Agreement.

9. This Agreement and any non-contractual obligations arising out of or in connection with it are governed by English law.
10. This Agreement has been entered into on the date stated at the beginning of this Agreement.

**Note:** The execution of this Transfer Certificate may not transfer a proportionate share of the Existing Lender's interest in the Transaction Security in all jurisdictions. It is the responsibility of the New Lender to ascertain whether any other documents or other formalities are required to perfect a transfer of such a share in the Existing Lender's Transaction Security in any jurisdiction and, if so, to arrange for execution of those documents and completion of those formalities.

## THE SCHEDULE

### Commitment/rights and obligations to be transferred

*[insert relevant details]*

*[Facility Office address, fax number and attention details for notices and account details for payments]*

For and on behalf of

For and on behalf of

[Existing Lender]

[New Lender]

By:

By:

This Agreement is accepted as a Transfer Certificate for the purposes of the Facilities Agreement by the Agent, and as a Creditor Accession Undertaking for the purposes of the Intercreditor Agreement by the Security Agent, and the Transfer Date is confirmed as [ • ].

For and on behalf of

[Agent]

By:

For and on behalf of

[Security Agent]

By:

#### NOTES:

- \* Delete as applicable—each New Lender is required to confirm which of these three categories it falls within.
- \*\* Delete as applicable.
- \*\*\* Include only if the transfer includes the transfer of a Revolving Facility Commitment/a participation in the Revolving Facility.

**SCHEDULE 5**  
**FORM OF ASSIGNMENT AGREEMENT**

To: [●] as Agent, [●] as Security Agent and [●] as Company for and on behalf of each Obligor

From: [*the Existing Lender*] (the “**Existing Lender**”) and [*the New Lender*] (the “**New Lender**”)

Dated:

**Gestamp Automoción S.A.—€850,000,000 Senior Facilities Agreement**  
**dated 19 April 2013 (the “Facilities Agreement”)**

1. We refer to the Facilities Agreement and to the Intercreditor Agreement (as defined in the Facilities Agreement). This is an Assignment Agreement. This agreement (the “**Agreement**”) shall take effect as an Assignment Agreement for the purpose of the Facilities Agreement and as a Creditor Accession Undertaking for the purposes of the Intercreditor Agreement (and as defined in the Intercreditor Agreement). Terms defined in the Facilities Agreement have the same meaning in this Agreement unless given a different meaning in this Agreement.
2. We refer to Clause 29.6 (*Procedure for assignment*) of the Facilities Agreement:
  - (a) The Existing Lender assigns absolutely to the New Lender all the rights of the Existing Lender under the Facilities Agreement, the other Finance Documents and in respect of the Transaction Security which correspond to that portion of the Existing Lender’s Commitment(s) and participations in Utilisations under the Facilities Agreement as specified in the Schedule.
  - (b) The Existing Lender is released from all the obligations of the Existing Lender which correspond to that portion of the Existing Lender’s Commitment(s) and participations in Utilisations under the Facilities Agreement specified in the Schedule.
  - (c) The New Lender becomes a Party as a Lender and is bound by obligations equivalent to those from which the Existing Lender is released under paragraph (b) above.
3. The proposed Transfer Date is [ ● ].
4. On the Transfer Date the New Lender becomes:
  - (a) party to the relevant Finance Documents (other than the Intercreditor Agreement) as a Lender; and
  - (b) party to the Intercreditor Agreement as a Senior Lender (as defined in the Intercreditor Agreement).
5. The Facility Office and address, fax number and attention details for notices of the New Lender for the purposes of Clause 37.2 (*Addresses*) of the Facilities Agreement are set out in the Schedule.
6. The New Lender expressly acknowledges the limitations on the Existing Lender’s obligations set out in paragraph (c) of Clause 29.4 (*Limitation of responsibility of Existing Lenders*) of the Facilities Agreement.
7. The New Lender confirms, for the benefit of the Agent and without liability to any Obligor, that it is:
  - (a) [not a Qualifying Lender;]
  - (b) [not a Luxembourg Qualifying Lender;]
  - (c) [a Qualifying Lender (other than an EU Lender or a Treaty Lender);]
  - (d) [a Luxembourg Qualifying Lender;]
  - (e) [an EU Lender or a Treaty Lender.]\*
8. [The New Lender confirms that it [is]/[is not]\*\* a Non-Acceptable L/C Lender.]\*\*\*
9. We refer to clause 17.3 (*Change of Senior Facility Lender, Additional Senior Financing Creditor or Bilateral Facility Lender*) of the Intercreditor Agreement.

In consideration of the New Lender being accepted as a Senior Facility Lender for the purposes of the Intercreditor Agreement (and as defined in the Intercreditor Agreement), the New Lender confirms that, as from the Transfer Date, it intends to be party to the Intercreditor Agreement as a Senior

Facility Lender, and undertakes to perform all the obligations expressed in the Intercreditor Agreement to be assumed by a Senior Facility Lender and agrees that it shall be bound by all the provisions of the Intercreditor Agreement, as if it had been an original party to the Intercreditor Agreement.

10. The New Lender hereby confirms that it has received a copy of each of the Transaction Security Documents which are governed by German law and are pledges, is aware of their contents and hereby expressly consents to the declarations of the Security Agent made on behalf of the New Lender as future pledgee in such Transaction Security Documents.
11. This Agreement acts as notice to the Agent (on behalf of each Finance Party) and, upon delivery in accordance with Clause 29.7 (*Copy of Transfer Certificate, Assignment Agreement, Increase Confirmation or Additional Lender Accession Letter to Company*), to the Company (on behalf of each Obligor) of the assignment referred to in this Agreement.
12. This Agreement may be executed in any number of counterparts and this has the same effect as if the signatures on the counterparts were on a single copy of this Agreement.
13. This Agreement and any non-contractual obligations arising out of or in connection with it are governed by English law.
14. This Agreement has been entered into on the date stated at the beginning of this Agreement.

**Note:** The execution of this Assignment Agreement may not transfer a proportionate share of the Existing Lender's interest in the Transaction Security in all jurisdictions. It is the responsibility of the New Lender to ascertain whether any other documents or other formalities are required to perfect a transfer of such a share in the Existing Lender's Transaction Security in any jurisdiction and, if so, to arrange for execution of those documents and completion of those formalities.



## THE SCHEDULE

### Commitment/rights and obligations to be transferred by assignment, release and accession

*[insert relevant details]*

*[Facility office address, fax number and attention details for notices and account details for payments]*

For and on behalf of

[Existing Lender]

By:

For and on behalf of

[New Lender]

By:

This Agreement is accepted as an Assignment Agreement for the purposes of the Facilities Agreement by the Agent, and as a Creditor Accession Undertaking for the purposes of the Intercreditor Agreement by the Security Agent, and the Transfer Date is confirmed as [ • ].

Signature of this Agreement by the Agent constitutes confirmation by the Agent of receipt of notice of the assignment referred to in this Agreement, which notice the Agent receives on behalf of each Finance Party.

For and on behalf of

[Agent]

By:

For and on behalf of

[Security Agent]

By:

#### NOTES:

- \* Delete as applicable—each New Lender is required to confirm which of these three categories it falls within.
- \*\* Delete as applicable.
- \*\*\* Include only if the assignment includes the assignment of a Revolving Facility Commitment/a participation in the Revolving Facility.

**SCHEDULE 6**  
**FORM OF ACCESSION DEED**

To: [●] as Agent and [●] as Security Agent for itself and each of the other parties to the Intercreditor Agreement referred to below

From: [Subsidiary] and [Company]

Dated:

Dear Sirs

**Gestamp Automoción S.A.—€850,000,000 Senior Facilities Agreement**  
**dated 19 April 2013 (the “Facilities Agreement”)**

1. We refer to the Facilities Agreement and to the Intercreditor Agreement. This deed (the “**Accession Deed**”) shall take effect as an Accession Deed for the purposes of the Facilities Agreement and as a Debtor Accession Deed for the purposes of the Intercreditor Agreement (and as defined in the Intercreditor Agreement). Terms defined in the Facilities Agreement have the same meaning in paragraphs 1-[3]/[4] of this Accession Deed unless given a different meaning in this Accession Deed.
2. [Subsidiary] agrees to become an Additional [Borrower]/[Guarantor] and to be bound by the terms of the Facilities Agreement and the other Finance Documents (other than the Intercreditor Agreement) as an Additional [Borrower]/[Guarantor] pursuant to Clause [31.2 (*Additional Borrowers*)]/[Clause 31.4 (*Additional Guarantors*)] of the Facilities Agreement. [Subsidiary] is a company duly incorporated under the laws of [name of relevant jurisdiction] and is a limited liability company and registered number [ ● ].
3. [The Company confirms that no Default is continuing or would occur as a result of [Subsidiary] becoming an Additional Borrower].
4. [Subsidiary’s] administrative details for the purposes of the Facilities Agreement and the Intercreditor Agreement are as follows:

Address:

Fax No.:

Attention:

5. [Subsidiary] (for the purposes of this paragraph [4]/[5], the “**Acceding Debtor**”) intends to [incur Liabilities under the following documents]/[give a guarantee, indemnity or other assurance against loss in respect of Liabilities under the following documents]:

[Insert details (date, parties and description) of relevant documents]

the “**Relevant Documents**”.

**IT IS AGREED** as follows:

- (a) Terms defined in the Intercreditor Agreement shall, unless otherwise defined in this Accession Deed, bear the same meaning when used in this paragraph [4]/[5].
- (b) The Acceding Debtor and the Security Agent agree that the Security Agent shall hold:
  - (i) any Security in respect of Liabilities created or expressed to be created pursuant to the Relevant Documents;
  - (ii) all proceeds of that Security; and
  - (iii) all obligations expressed to be undertaken by the Acceding Debtor to pay amounts in respect of the Liabilities to the Security Agent as agent for the Secured Parties (in the Relevant Documents or otherwise) and secured by the Transaction Security together with all representations and warranties expressed to be given by the Acceding Debtor (in the Relevant Documents or otherwise) in favour of the Security Agent as trustee for the Secured Parties,

for the benefit of the Secured Parties on the terms and conditions contained in the Intercreditor Agreement.

- (c) The Acceding Debtor confirms that it intends to be party to the Intercreditor Agreement as a Debtor, undertakes to perform all the obligations expressed to be assumed by a Debtor under the Intercreditor Agreement and agrees that it shall be bound by all the provisions of the Intercreditor Agreement as if it had been an original party to the Intercreditor Agreement.
- (d) [In consideration of the Acceding Debtor being accepted as an Intra-Group Lender for the purposes of the Intercreditor Agreement, the Acceding Debtor also confirms that it intends to be party to the Intercreditor Agreement as an Intra-Group Lender, and undertakes to perform all the obligations expressed in the Intercreditor Agreement to be assumed by an Intra-Group Lender and agrees that it shall be bound by all the provisions of the Intercreditor Agreement, as if it had been an original party to the Intercreditor Agreement].\*

6. This Accession Deed and any non-contractual obligations arising out of or in connection with it are governed by English law.

**THIS ACCESSION DEED** has been signed on behalf of the Security Agent (for the purposes of paragraph [4]/[5] above only), signed on behalf of the Company and executed as a deed by [*Subsidiary*] and is delivered on the date stated above.

[*Subsidiary*]

[EXECUTED AS A DEED

]

By: [*Subsidiary*]

)

Director

Director/Secretary

**OR**

[EXECUTED AS A DEED

By: [*Subsidiary*]

Signature of Director

Name of Director

in the presence of

Signature of witness

Name of witness

Address of witness

Occupation of witness]

**The Company**

For and on behalf of

[*Company*]

By:

**The Security Agent**

For and on behalf of

[*Full Name of Current Security Agent*]

By:

Date:

**NOTES:**

- \* Include this paragraph in this Accession Deed if the Subsidiary is also to accede as an Intra-Group Lender to the Intercreditor Agreement.

**SCHEDULE 7**  
**FORM OF RESIGNATION LETTER**

To: [●] as Agent  
From: [resigning Obligor] and [Company]  
Dated:  
Dear Sirs

**Gestamp Automoción S.A.—€850,000,000 Senior Facilities Agreement  
dated 19 April 2013 (the “Facilities Agreement”)**

1. We refer to the Facilities Agreement. This is a Resignation Letter. Terms defined in the Facilities Agreement have the same meaning in this Resignation Letter unless given a different meaning in this Resignation Letter.
2. Pursuant to [Clause 31.3 (*Resignation of a Borrower*)]/[Clause 31.5 (*Resignation of a Guarantor*)], we request that [resigning Obligor] be released from its obligations as a [Borrower]/[Guarantor] under the Facilities Agreement and the Finance Documents (other than the Intercreditor Agreement).
3. We confirm that:
  - (a) no Default is continuing or would result from the acceptance of this request; and
  - (b) \* [this request is given in relation to a Third Party Disposal of [resigning Obligor];]
  - (c) [the Disposal Proceeds have been or will be applied in accordance with Clause 12.2 (*Disposal and Insurance Proceeds*);]\*\*
  - (d) [ ● ]\*\*\*
4. This Resignation Letter and any non-contractual obligations arising out of or in connection with it are governed by English law.
5. The Company agrees to indemnify the Finance Parties and Secured Parties for any costs, expenses, or liabilities which would have been payable by [resigning Obligor] in connection with the Finance Documents but for the release set out in paragraph 1 above.

For and on behalf of  
[Company]  
By:

For and on behalf of  
[resigning Obligor]  
By:

**NOTES:**

- \* Insert where resignation only permitted in case of a Third Party Disposal.
- \*\* Amend as appropriate, e.g. to reflect agreed procedure for payment of proceeds into a specified account.
- \*\*\* Insert any other conditions required by the Facilities Agreement.

**SCHEDULE 8**  
**FORM OF COMPLIANCE CERTIFICATE**

To: [●] as Agent

From: [Company]

Dated:

Dear Sirs

**Gestamp Automoción S.A.—€850,000,000 Senior Facilities Agreement**  
**dated 19 April 2013 (the “Facilities Agreement”)**

1. We refer to the Facilities Agreement. This is a Compliance Certificate. Terms defined in the Facilities Agreement have the same meaning when used in this Compliance Certificate unless given a different meaning in this Compliance Certificate.
2. We confirm that:
  - (a) in respect of the Relevant Period ending on [ ● ] [EBITDA for such Relevant Period was [ ● ] and Financial Expenses for such Relevant Period were [ ● ]. Therefore EBITDA for such Relevant Period was [ ● ] times Financial Expenses for such Relevant Period and the covenant contained in paragraph (a) of Clause 26.2 (*Financial condition*) [has/has not] been complied with;
  - (b) on the last day of the Relevant Period ending on [ ● ] Net Financial Indebtedness was [ ● ] and Adjusted EBITDA for such Relevant Period was [ ● ]. Therefore Net Financial Indebtedness at such time [did/did not] exceed 3.00 times Adjusted EBITDA for such Relevant Period and the covenant contained in paragraph (b) of Clause 26.2 (*Financial condition*) [has/has not] been complied with.

We confirm that Adjusted Leverage is [ ● ]:1 and that, therefore, the Facility A Margin should be [ ● ]%, the Facility B Margin should be [ ● ]% and the Revolving Facility Margin should be [ ● ]%.
3. [We confirm that no Default is continuing.]\*
4. [We confirm that the following companies constitute Material Companies for the purposes of the Facilities Agreement: [ ● ].]

Signed

.....  
Director  
For and on behalf of  
[Company]

.....  
Director  
For and on behalf of  
[Company]

[insert applicable certification language]

.....  
for and on behalf of  
[name of auditors of the Company]

**NOTES:**

- \* If this statement cannot be made, the certificate should identify any Default that is continuing and the steps, if any, being taken to remedy it.

**SCHEDULE 9  
TIMETABLES**

**PART I  
LOANS**

	Loans in euro or dollars	Loans in other currencies
Agent notifies the Company if a currency is approved as an Optional Currency in accordance with Clause 4.3 ( <i>Conditions relating to Optional Currencies</i> )	—	U-4
Delivery of a duly completed Utilisation Request (Clause 5.1 ( <i>Delivery of a Utilisation Request</i> )) or a Selection Notice (Clause 15.1 ( <i>Selection of Interest Periods and Terms</i> ))	U-3 9.30am	U-3 9.30am
Agent determines (in relation to a Utilisation) the Base Currency Amount of the Loan, if required under Clause 5.4 ( <i>Lenders' participation</i> ) and notifies the Lenders of the Loan in accordance with Clause 5.4 ( <i>Lenders' participation</i> )	U-3 Noon	U-3 noon
Agent receives a notification from a Lender under Clause 8.2 ( <i>Unavailability of a currency</i> )	Quotation Day 9.30am	Quotation Day 9.30am
Agent gives notice in accordance with Clause 8.2 ( <i>Unavailability of a currency</i> )	Quotation Day 5.30pm	Quotation Day 5.30pm
LIBOR or EURIBOR is fixed	Quotation Day 11:00 a.m. in respect of LIBOR and 11.00 a.m. (Brussels time) in respect of EURIBOR	Quotation Day 11:00 a.m.

“U” = date of utilisation or, if applicable, in the case of a Term Loan that has already been borrowed, the first day of the relevant Interest Period for that Term Loan.

“U – X” = X Business Days prior to date of utilization

## PART II LETTERS OF CREDIT

	<u>Letters of Credit</u>
Delivery of a duly completed Utilisation Request (Clause 6.2 ( <i>Delivery of a Utilisation Request for Letters of Credit</i> ))	U-3 9.30am
Agent determines (in relation to a Utilisation) the Base Currency Amount of the Letter of Credit if required under paragraph (f) of Clause 6.5 ( <i>Issue of Letters of Credit</i> ) and notifies the Issuing Bank and Lenders of the Letter of Credit in accordance with paragraph (f) of Clause 6.5 ( <i>Issue of Letters of Credit</i> ).	U-1 noon
Delivery of duly completed Renewal Request (Clause 6.6 ( <i>Renewal of a Letter of Credit</i> ))	[Agent to confirm]
“U” = date of utilisation, or, if applicable, in the case of a Letter of Credit to be renewed in accordance with Clause 6.6 ( <i>Renewal of a Letter of Credit</i> ), the first day of the proposed term of the renewed Letter of Credit	
“U – X” = Business Days prior to date of utilisation	



**SCHEDULE 10**  
**FORM OF LETTER OF CREDIT**

To: [*Beneficiary*] (the “**Beneficiary**”)

Date

**Irrevocable Standby Letter of Credit no. [   •   ]**

At the request of [   •   ], [*Issuing Bank*] (the “**Issuing Bank**”) issues this irrevocable standby Letter of Credit (“**Letter of Credit**”) in your favour on the following terms and conditions:

**1. Definitions**

In this Letter of Credit:

“**Business Day**” means a day (other than a Saturday or a Sunday) on which banks are open for general business in [London].\*

“**Demand**” means a demand for a payment under this Letter of Credit in the form of the schedule to this Letter of Credit.

“**Expiry Date**” means [   •   ].

“**Total L/C Amount**” means [   •   ].

**2. Issuing Bank’s agreement**

- (a) The Beneficiary may request a drawing or drawings under this Letter of Credit by giving to the Issuing Bank a duly completed Demand. A Demand must be received by the Issuing Bank by no later than [   •   ] p.m. ([London] time) on the Expiry Date.
- (b) Subject to the terms of this Letter of Credit, the Issuing Bank unconditionally and irrevocably undertakes to the Beneficiary that, within [ten] Business Days of receipt by it of a Demand, it must pay to the Beneficiary the amount demanded in that Demand.
- (c) The Issuing Bank will not be obliged to make a payment under this Letter of Credit if as a result the aggregate of all payments made by it under this Letter of Credit would exceed the Total L/C Amount.

**3. Expiry**

- (a) The Issuing Bank will be released from its obligations under this Letter of Credit on the date (if any) notified by the Beneficiary to the Issuing Bank as the date upon which the obligations of the Issuing Bank under this Letter of Credit are released.
- (b) Unless previously released under paragraph (a) above, on [   •   ] p.m.([London] time) on the Expiry Date the obligations of the Issuing Bank under this Letter of Credit will cease with no further liability on the part of the Issuing Bank except for any Demand validly presented under the Letter of Credit that remains unpaid.
- (c) When the Issuing Bank is no longer under any further obligations under this Letter of Credit, the Beneficiary must return the original of this Letter of Credit to the Issuing Bank.

**4. Payments**

All payments under this Letter of Credit shall be made in [   •   ] and for value on the due date to the account of the Beneficiary specified in the Demand.

**5. Delivery of Demand**

Each Demand shall be in writing, and, unless otherwise stated, may be made by letter, fax or telex and must be received in legible form by the Issuing Bank at its address and by the particular department or office (if any) as follows:

[   •   ]

**6. Assignment**

The Beneficiary’s rights under this Letter of Credit may not be assigned or transferred.

7. **ISP**

Except to the extent it is inconsistent with the express terms of this Letter of Credit, this Letter of Credit is subject to the International Standby Practices (ISP 98), International Chamber of Commerce Publication No. 590.

8. **Governing Law**

This Letter of Credit and any non-contractual obligations arising out of or in connection with it are governed by English law.

9. **Jurisdiction**

The courts of England have exclusive jurisdiction to settle any dispute arising out of or in connection with this Letter of Credit (including a dispute relating to any non-contractual obligation arising out of or in connection with this Letter of Credit).

Yours faithfully

For and on behalf of  
*[Issuing Bank]*

**NOTES:**

- \* This may need to be amended depending on the currency of payment under the Letter of Credit.

**THE SCHEDULE  
FORM OF DEMAND**

To: [ISSUING BANK]

[Date]

Dear Sirs

**Standby Letter of Credit no. [ • ] issued in favour of [BENEFICIARY] (the “Letter of Credit”)**

We refer to the Letter of Credit. Terms defined in the Letter of Credit have the same meaning when used in this Demand.

1. We certify that the sum of [ • ] is due [and has remained unpaid for at least [ • ] Business Days] [under [set out underlying contract or agreement]]. We therefore demand payment of the sum of [ • ].

2. Payment should be made to the following account:

Name:

Account Number:

Bank:

3. The date of this Demand is not later than the Expiry Date.

Yours faithfully

(Authorised Signatory)

For and on behalf of  
[BENEFICIARY]

(Authorised Signatory)

**SCHEDULE 11**  
**MATERIAL COMPANIES**

Gestamp HardTech AB  
Gestamp Brasil S.A.  
Gestamp Baires, S.A.  
Gestamp Alabama, Llc  
Gestamp Mason, Llc  
Gestamp South Carolina, Llc  
Edscha Holding GmbH  
Edscha Hengersberg GmbH  
Edscha Hauzenberg GmbH  
Gestamp Polska s.p. z.o.o.

**SCHEDULE 12**  
**AGREED SECURITY PRINCIPLES**

**1. General Principles**

- (a) The Transaction Security will be granted in favour of the Security Agent unless required under applicable law to be granted in favour of the Secured Parties individually.
- (b) No action will be required to be taken in relation to any Transaction Security where any Secured Party transfers or assigns any of its participation in the Facilities. The Group will not be liable for any fees, costs, taxes or expenses in relation to any re-registration, re-notarisation or other requirement for perfection or protection of Security or guarantees on transfers or assignments by Finance Parties.
- (c) No perfection action will be required in jurisdictions other than Spain.

**2. Terms of security documents**

The following terms will be reflected in the Transaction Security:

- (a) the Transaction Security will be enforceable upon failure to pay any Secured Obligations or if an Acceleration Event has occurred (provided that any common security that is shared with the Senior Secured Notes or other Permitted Financial Indebtedness (which is permitted to share in the Transaction Security) may also be enforced where permitted under documents evidencing such indebtedness, subject to the Intercreditor Agreement);

**“Acceleration Event”** means the Agent, whilst an Event of Default is continuing and acting on the instructions of the Majority Lenders, gives notice that outstanding amounts under the Facilities are immediately due and payable (or, having previously placed outstanding amounts on demand, makes demand for payment).

- (b) Transaction Security will only secure the direct borrowing and guarantee obligations of the Obligor granting the security;
- (c) the Transaction Security Documents shall only operate as instruments creating a security interest rather than to impose new commercial obligations, accordingly they will not contain any representations or undertakings or indemnities (such as in respect of title, ranking, insurance, maintenance or protection of assets, information or the payment of costs) unless these are expressly required by law for the creation or perfection of the security interest and are the same (and no more onerous than) any equivalent provision in this Agreement;
- (d) the Transaction Security Documents will not contain repeating representations;
- (e) until an Acceleration Event, the pledgors shall be permitted to retain and to exercise voting rights to any shares pledged by them in a manner which does not materially adversely affect the validity or enforceability of the security interest or the value of the secured assets and the pledgors shall be permitted to receive payment of dividends and other payments and retain and use them for any purpose not prohibited under this Agreement;
- (f) the Security Agent shall only be able to exercise any power of attorney granted to it under the Transaction Security Documents following the occurrence of an Acceleration Event or if an Obligor, having been given reasonable notice by the Security Agent of any failure to comply, has failed to comply with any further assurance or perfection obligation; and
- (g) the Transaction Security Documents shall not operate so as to prevent any transaction otherwise permitted under this Agreement; the Transaction Security Documents will not prevent the disposal of shares where such disposal is permitted under this Agreement and will include assurances that the Security Agent will do all such things as reasonably requested (at the cost of the Group) to release security in respect of shares and assets the subject of such disposal.

**3. Guarantee limitations**

The following terms will be taken into account in the accession of any Additional Guarantor. Guarantees shall not be created or perfected to the extent that:

- (a) it would be unlawful (including, without limitation, under corporate benefit, thin capitalisation, fraudulent preference, “earnings stripping”, financial assistance or similar laws) or would result

in (or in the opinion of the Company acting reasonably there is a material risk that it would result in) personal or criminal liability for the directors or officers of the relevant Subsidiary or other members of the Group for a Subsidiary to become a Guarantor;

- (b) it would result in (or there is in the opinion of the Company acting reasonably a material risk that it would result in) a material cost (including, without limitation, by way of adverse effects on interest deductibility or stamp duty, notarisation and registration fees) that would be disproportionate to the benefit that will be obtained by the beneficiaries of that guarantee or the procedural requirements involved or potential legal or commercial consequences for the Subsidiary were it to become a Guarantor would be disproportionate to the benefit that will be obtained by the beneficiaries of that guarantee;
- (c) it would result in (or there is a material risk in the opinion of the Company acting reasonably that it would result in) a material tax cost on the Subsidiary or Group if the relevant Subsidiary became a Guarantor that would be disproportionate to the benefit that will be obtained by the beneficiaries of that guarantee;
- (d) the Subsidiary is not wholly owned and accession as a Guarantor would contravene any applicable shareholders' agreement or other document binding on it; or
- (e) the relevant Subsidiary is an American Subsidiary or is incorporated in India, China, Taiwan, South Korea or Japan.

Where guarantees are granted by an Additional Guarantor the maximum guaranteed amount may be limited to minimise stamp duty, notarisation, registration or other applicable fees, taxes and duties.

**SCHEDULE 13**  
**FORM OF INCREASE CONFIRMATION**

To: [●] as Agent, [●] as Security Agent, [[●] as Issuing Bank] and [●] as Company, for and on behalf of each Obligor

From: [*the Increase Lender*] (the “**Increase Lender**”)

Dated:

**Gestamp Automoción S.A.—€850,000,000 Senior Facilities Agreement**  
**dated 19 April 2013 (the “Facilities Agreement”)**

1. We refer to the Facilities Agreement and to the Intercreditor Agreement (as defined in the Facilities Agreement). This agreement (the “**Agreement**”) shall take effect as an Increase Confirmation for the purpose of the Facilities Agreement and as a Creditor Accession Undertaking for the purposes of the Intercreditor Agreement (and as defined in the Intercreditor Agreement). Terms defined in the Facilities Agreement have the same meaning in this Agreement unless given a different meaning in this Agreement.
2. We refer to Clause 2.3 (*Increase*) of the Facilities Agreement.
3. The Increase Lender agrees to assume and will assume all of the obligations corresponding to the Commitment specified in the Schedule (the “**Relevant Commitment**”) as if it was an Original Lender under the Facilities Agreement.
4. The proposed date on which the increase in relation to the Increase Lender and the Relevant Commitment is to take effect (the “**Increase Date**”) is [ ● ].
5. On the Increase Date, the Increase Lender becomes:
  - (a) party to the relevant Finance Documents (other than the Intercreditor Agreement) as a Lender; and
  - (b) party to the Intercreditor Agreement as a [Senior Lender] (as defined in the Intercreditor Agreement).
6. The Facility Office and address, fax number and attention details for notices to the Increase Lender for the purposes of Clause 37.2 (*Addresses*) are set out in the Schedule.
7. The Increase Lender expressly acknowledges the limitations on the Lenders’ obligations referred to in paragraph (g) of Clause 2.3 (*Increase*).
8. The Increase Lender confirms, for the benefit of the Agent and without liability to any Obligor, that it is:
  - (a) [not a Qualifying Lender;]
  - (b) [not a Luxembourg Qualifying Lender;]
  - (c) [a Qualifying Lender (other than an EU Lender or a Treaty Lender);]
  - (d) [a Luxembourg Qualifying Lender;]
  - (e) [an EU Lender or a Treaty Lender.]\*
9. [The Increase Lender confirms that it [is]/[is not]\*\* a Non-Acceptable L/C Lender.]\*\*\*
10. We refer to clause [22.11] (*Creditor Accession Undertaking*) of the Intercreditor Agreement.

In consideration of the Increase Lender being accepted as a [Senior Lender] for the purposes of the Intercreditor Agreement (and as defined in the Intercreditor Agreement), the Increase Lender confirms that, as from the Increase Date, it intends to be party to the Intercreditor Agreement as a [Senior Lender], and undertakes to perform all the obligations expressed in the Intercreditor Agreement to be assumed by a [Senior Lender] and agrees that it shall be bound by all the provisions of the Intercreditor Agreement, as if it had been an original party to the Intercreditor Agreement.
11. This Agreement may be executed in any number of counterparts and this has the same effect as if the signatures on the counterparts were on a single copy of this Agreement.

12. This Agreement and any non-contractual obligations arising out of or in connection with it are governed by English law.
13. This Agreement has been entered into on the date stated at the beginning of this Agreement.

**Note:** The execution of this Increase Confirmation may not be sufficient for the Increase Lender to obtain the benefit of the Transaction Security in all jurisdictions. It is the responsibility of the Increase Lender to ascertain whether any other documents or other formalities are required to obtain the benefit of the Transaction Security in any jurisdiction and, if so, to arrange for execution of those documents and completion of those formalities.



## THE SCHEDULE

### Relevant Commitment/rights and obligations to be assumed by the Increase Lender

*[insert relevant details]*

*[Facility Office address, fax number and attention details for notices and account details for payments]*

[Increase Lender]

By:

This Agreement is accepted as an Increase Confirmation for the purposes of the Facilities Agreement by the Agent [and the Issuing Bank]\*\*\*\*, and as a Creditor Accession Undertaking for the purposes of the Intercreditor Agreement by the Security Agent and the Increase Date is confirmed as [ • ].

For and on behalf of

Agent

By:

For and on behalf of

[Issuing Bank

By:]\*\*\*\*

For and on behalf of

Security Agent

By:]

### NOTES:

\* Delete as applicable—each Increase Lender is required to confirm which of these three categories it falls within.

\*\* Delete as applicable.

\*\*\* Include only if the increase includes the assumption of a Revolving Facility Commitment.

\*\*\*\*Only if increase in the Total Revolving Facility Commitments.

**SCHEDULE 14**  
**FORMS OF NOTIFIABLE DEBT PURCHASE TRANSACTION NOTICE**

**PART I**

**FORM OF NOTICE ON ENTERING INTO NOTIFIABLE DEBT PURCHASE TRANSACTION**

To: [●] as Agent

From: [The Lender]

Dated:

**Gestamp Automoción S.A.—€850,000,000 Senior Facilities Agreement  
dated 19 April 2013 (the “Facilities Agreement”)**

1. We refer to paragraph (b) of Clause 30.2 (*Disenfranchisement on Debt Purchase Transactions entered into by Equity Investors*) of the Facilities Agreement. Terms defined in the Facilities Agreement have the same meaning in this notice unless given a different meaning in this notice.
2. We have entered into a Notifiable Debt Purchase Transaction.
3. The Notifiable Debt Purchase Transaction referred to in paragraph 2 above relates to the amount of our Commitment(s) as set out below.

<u>Commitment</u>	<u>Amount of our Commitment to which Notifiable Debt Purchase Transaction relates (Base Currency)</u>
Facility A Commitment	<i>[insert amount (of that Commitment) to which the relevant Debt Purchase Transaction applies]</i>
Facility B Commitment	<i>[insert amount (of that Commitment) to which the relevant Debt Purchase Transaction applies]</i>

For and on behalf of

[Lender]

By:

**PART II**  
**FORM OF NOTICE ON TERMINATION OF NOTIFIABLE DEBT PURCHASE**  
**TRANSACTION/NOTIFIABLE DEBT PURCHASE TRANSACTION CEASING TO**  
**BE WITH EQUITY INVESTORS**

To: [●] as Agent

From: [The Lender]

Dated:

**Gestamp Automoción S.A.—€850,000,000 Senior Facilities Agreement**  
**dated 19 April 2013 (the “Facilities Agreement”)**

1. We refer to paragraph (c) of Clause 30.2 (*Disenfranchisement on Debt Purchase Transactions entered into by Equity Investor Affiliates*) of the Facilities Agreement. Terms defined in the Facilities Agreement have the same meaning in this notice unless given a different meaning in this notice.
2. A Notifiable Debt Purchase Transaction which we entered into and which we notified you of in a notice dated [ ● ] has [terminated]/[ceased to be with an Equity Investor.]
3. The Notifiable Debt Purchase Transaction referred to in paragraph 2 above relates to the amount of our Commitment(s) as set out below.

<u>Commitment</u>	<u>Amount of our Commitment to which Notifiable Debt Purchase Transaction relates (Base Currency)</u>
Facility A Commitment	[insert amount (of that Commitment) to which the relevant Debt Purchase Transaction applies]
Facility B Commitment	[insert amount (of that Commitment) to which the relevant Debt Purchase Transaction applies]

For and on behalf of

[Lender]

By:

**SCHEDULE 15**  
**TEMPORARY FACILITIES**

<u>Operation</u>	<u>Lender</u>	<u>Borrower</u>	<u>Date</u>	<u>Initial Amount</u>	<u>Currency</u>
Syndicated loan		Gestamp Automoción, S.A.	30/07/2008		Euro
Syndicated loan		Gestamp Automoción, S.A.	27/07/2010		Euro
Syndicated loan		GMF Holding GmbH Gestamp Automoción S.A.	15/09/2011		Euro
Syndicated loan		Gestamp Automoción, S.A.	20/12/2012		Euro
Credit facility	Commerzbank AG	Edscha Holding, GmbH	22/02/2011		Euro
Bilateral loan	UniCredit Bank AG	Edscha Holding, GmbH	25/10/2012		Euro
Bilateral loan	Sovereign Bank, National Association	Gestamp Alabama, Llc	15/02/2012		US dollar
Bilateral loan	Deutsche Bank, S.A.E.	Gestamp Automoción, S.A.	26/12/2012		Euro
Bilateral loan	Banco do Brasil, S.A. Sucursal en España	Gestamp Automoción, S.A.	12/04/2012		Euro
Bilateral loan	Banco do Brasil, S.A. Sucursal en España	Gestamp Automoción, S.A.	11/12/2012		Euro
Bilateral loan	JP Morgan Securities, Ltd.	Gestamp Automoción, S.A.	31/05/2012		Euro
Bilateral loan	Banco Español de Crédito, S.A.	Gestamp Automoción, S.A.	08/11/2012		Euro
Bilateral loan	Banco Popular, S.A.	Gestamp Automoción, S.A.	11/12/2012		Euro
Bilateral loan	ITAU BBA International Limited	Edscha Holding, GmbH	08/02/2013		Euro
Bilateral loan	Banco Sabadell, S.A.	Loire Safe, S.A.E.	19/12/2008		Euro
Bilateral loan	Banco Santander, S.A.	Loire Safe, S.A.E.	03/12/2010		Euro
Bilateral loan	Barclays Bank, PLC	Gestamp Tallent, Ltd	27/07/2012		Pound sterling
Credit facility	Barclays Bank, PLC	Gestamp Tallent, Ltd	27/07/2012		Pound sterling
Uncommitted Credit Line	Bayerische Landesbank	Gestamp Automoción, S.A.	07/03/2012		Euro
Credit facility	Caixabank, S.A.	Gestamp Automoción, S.A.	30/11/2012		Euro
Credit facility	Banco Mare Nostrum, S.A.	Gestamp Metalbages, S.A.	09/02/2012		Euro
Bilateral loan	European Bank for Reconstruction and Development	Gestamp Automoción, S.A.	07/02/2013		Euro

**SCHEDULE 16**  
**ADDITIONAL LENDER ACCESSION LETTER**

To: [●] as Agent

From: [The Additional Lender] (the “**Additional Lender**”)

Dated:

**Gestamp Automoción S.A.—€850,000,000 Senior Facilities Agreement**  
**dated 19 April 2013 (the “Facilities Agreement”)**

1. We refer to the Facilities Agreement and to the Intercreditor Agreement (as defined in the Facilities Agreement). This letter (the “**Letter**”) shall take effect as an Additional Lender Accession Letter for the purpose of the Facilities Agreement. Terms defined in the Facilities Agreement have the same meaning in this Letter unless given a different meaning in this Letter.
2. We refer to Clause 2.2 (*Uncommitted Facility B*) of the Facilities Agreement.
3. The Additional Lender agrees to assume and will assume all of the obligations corresponding to the Facility B Commitment specified in the Schedule (the “**Relevant Commitment**”) as if it was an Original Lender under the Facilities Agreement.
4. The proposed date on which the Additional Lender is to assume the relevant commitments and the related obligations is [ ● ] (the “**Effective Date**”).
5. On the Effective Date, the Additional Lender:
  - (a) becomes party to the relevant Finance Documents (other than the Intercreditor Agreement) as a Lender; and
  - (b) is party to the Intercreditor Agreement as a Senior Facility Lender (as defined in the Intercreditor Agreement).
6. The Facility Office and address, fax number and attention details for notices to the Additional Lender are set out in the Schedule.
7. The Additional Lender confirms, for the benefit of the Agent and without benefit to any Obligor, that it is:
  - (a) [not a Qualifying Lender;]
  - (b) [not a Luxembourg Qualifying Lender;]
  - (c) [a Qualifying Lender (other than an EU Lender or a Treaty Lender;)] (d) [a Luxembourg Qualifying Lender;]
  - (e) [an EU Lender or a Treaty Lender.]\*
8. This Letter may be executed in any number of counterparts and this has the same effect as if the signatures on the counterparts were on a single copy of this Letter.
9. This Letter and any non-contractual obligations arising out of or in connection with it is governed by and construed in accordance with English law.

**Note:** The execution of this Additional Lender Accession Letter may not entitle the Additional Lender to a proportionate share of the Transaction Security in all jurisdictions. It is the responsibility of the Additional Lender to ascertain whether any other documents or other formalities are required in any jurisdiction and, if so, to arrange for execution of those documents and completion of those formalities.

## **THE SCHEDULE**

### **Relevant Commitment/rights and obligations to be assumed by the Additional Lender**

*[insert relevant details]*

*[Facility Office address, fax number and attention details for notices and account details for payments]*

[Additional Lender]

By:

### **NOTES:**

- \* Delete as applicable—each Additional Lender is required to confirm which of these categories it falls within.

**SIGNED**

For and on behalf of

**[ADDITIONAL LENDER]**

This Letter is accepted as an Additional Lender Accession Letter for the purposes of the Facilities Agreement by the Agent.

For and on behalf of

[Agent]

By:

**SCHEDULE 17**  
**FORM OF FACILITY B ESTABLISHMENT NOTICE**

To: [●] as Agent  
From: Gestamp Automoción S.A (the “Company”)  
Dated:

**Gestamp Automoción S.A.—€850,000,000 Senior Facilities Agreement**  
**dated 19 April 2013 (the “Facilities Agreement”)**

1. We refer to the Facilities Agreement. This is a Facility B Establishment Notice. Terms defined in the Facilities Agreement have the same meaning in this Letter unless given a different meaning in this Letter.
2. Pursuant to Clause 2.2 (*Uncommitted Facility B*) we hereby notify you of our intention to establish a Facility B Commitment on the following basis:
  - (a) Amount of Facility B Commitment to be established: [ ● ]
  - (b) Names of Lender or Additional Lender providing such Facility B Commitment: [ ● ]
  - (c) Facility B Effective Date: [ ● ]
  - (d) Margin: [ ● ] per cent. per annum
  - (e) Margin ratchet (if applicable): [ ● ]
  - (f) Applicable EURIBOR floor: [ ● ] per cent. per annum.
3. We confirm that no Default has occurred or is continuing or would result from the proposed establishment of this Facility B Commitment.
4. The Lender or Additional Lender which is to assume such Facility B Commitment by its signature below confirms that it has agreed to assume such Facility B Commitment in the amount set out above.

This Notice and any other contractual obligations arising out of or in connection with it are governed by English law.

Gestamp Automoción S.A.

By:



Additional Lender Acknowledgement

We confirm that we have agreed to assume a Facility B Commitment in the amount set out above.

For and on behalf of

[Lender/Additional Lender]

By:

Agent Acceptance

This Notice is accepted as Facility B Establishment Notice for the purposes of the Facilities Agreement by the Agent.

For and on behalf of

[Agent]

By:

## **ANNEX B: INTERCREDITOR AGREEMENT**

DATED    APRIL 2013

DEUTSCHE BANK AG, LONDON BRANCH  
AS SENIOR FACILITY AGENT

DEUTSCHE TRUSTEE COMPANY LIMITED  
AS SENIOR SECURED NOTES TRUSTEE

BANK OF AMERICA N.A. SUCURSAL EN ESPAÑA  
INSTITUTO DE CRÉDITO OFICIAL  
AND  
SOCIÉTÉ GÉNÉRALE S.A.

AS BILATERAL FACILITY LENDERS

GESTAMP AUTOMOCIÓN S.A.  
AS COMPANY

DEUTSCHE BANK AG, LONDON BRANCH  
ACTING AS SECURITY AGENT

AND OTHERS

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INTERCREDITOR AGREEMENT

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**THIS AGREEMENT** is dated April 2013 and made

**BETWEEN:**

- (1) **THE FINANCIAL INSTITUTION** named on the signing pages as Senior Facility Agent;
- (2) **THE FINANCIAL INSTITUTIONS** named on the signing pages as Senior Facility Lenders;
- (3) **THE FINANCIAL INSTITUTIONS** named on the signing pages as Senior Facility Arrangers;
- (4) **THE FINANCIAL INSTITUTIONS** named on the signing pages as Bilateral Facility Lenders (the "**Bilateral Facility Lenders**");
- (5) **GESTAMP AUTOMOCIÓN, S.A.** (the "**Company**");
- (6) **GESTAMP FUNDING LUXEMBOURG S.A., a *société anonyme*** having its registered office at 34A, Boulevard Grande Duchesse Charlotte, L-1330 Luxembourg, and registered with the Luxembourg Register of commerce and companies under number B176602 (the "**Senior Secured Notes Issuer**");
- (7) **THE ENTITIES** named on the signing pages as Intra-Group Lenders;
- (8) **THE SUBSIDIARIES** of the Company named on the signing pages as Debtors (together with the Company the "**Original Debtors**");
- (9) **CORPORACIÓN GESTAMP S.L.** (the "**Original Equity Investor**");
- (10) **DEUTSCHE BANK AG, LONDON BRANCH** as security agent and trustee for the Secured Parties (the "**Security Agent**"); and
- (11) **DEUTSCHE TRUSTEE COMPANY LIMITED** as trustee for and on behalf of the Senior Secured Noteholders (the "**Senior Secured Notes Trustee**").

**SECTION 1  
INTERPRETATION**

**IT IS AGREED** as follows:

**1. DEFINITIONS AND INTERPRETATION**

**1.1 Definitions**

In this Agreement:

**"Acceleration Event"** means a Senior Facility Acceleration Event, a Senior Secured Notes Acceleration Event, a Bilateral Facility Acceleration Event or an Additional Senior Financing Acceleration Event.

**"Additional Senior Financing"** means any indebtedness incurred by any Group Company which is notified to the Security Agent by the Company as indebtedness to

be treated as "Additional Senior Financing" for the purposes of this Agreement in accordance with Clause 14.1 (*Additional Senior Financing*) and in respect of which a Further Secured Notice has been served on the Security Agent by the Company **provided that:**

- (a) incurrence of such indebtedness (and such indebtedness sharing in the Transaction Security) is not prohibited by the terms of any of the Senior Finance Documents; and
- (b) either:
  - (i) each of the providers of such indebtedness and the agent, trustee or other relevant representative under that Additional Senior Financing has become a Party as an Additional Senior Financing Creditor by executing and delivering to the Security Agent a Creditor/Creditor Representative Accession Undertaking and a notarial power of attorney as the case may be; or
  - (ii) where such indebtedness is by way of the issue of bonds or notes or it would otherwise not be conventional for each of the providers of such indebtedness to become a Party, the agent, trustee or other relevant representative under that Additional Senior Financing has become a Party as a Creditor Representative on behalf of the providers of such indebtedness by executing and delivering to the Security Agent a Creditor/Creditor Representative Accession Undertaking; and
- (c) each of the borrowers and the guarantors in respect of such Additional Senior Financing is to the extent legally possible a guarantor of the other Senior Liabilities.

**"Additional Senior Financing Acceleration Event"** means in relation to any Additional Senior Financing, following the occurrence of any Additional Senior Financing Event of Default:

- (a) the Creditor Representative in respect of that Additional Senior Financing (acting on the instructions of the requisite majority of Additional Senior Financing Creditors under and otherwise in accordance with the Additional Senior Financing Agreement) giving a notice declaring all or part of the indebtedness outstanding under that Additional Senior Financing to be immediately due and payable; or
- (b) all or part of such indebtedness becoming immediately due and payable as a consequence of such Additional Senior Financing Event of Default.

**"Additional Senior Financing Agreement"** means in relation to any Additional Senior Financing, the facility agreement, indenture, trust deed, supplemental deed or other equivalent document by which that Additional Senior Financing is made available or issued.

**"Additional Senior Financing Commitment"** means, in relation to any Additional Senior Financing that is a facility, the "Commitment" or equivalent of such term under the relevant Additional Senior Financing Agreement.

**"Additional Senior Financing Creditor"** means, in relation to any Additional Senior Financing, each of the lenders, holders or other creditors in respect of that Additional Senior Financing (including any applicable Creditor Representative and, if relevant, arrangers of such Additional Senior Financing).

**"Additional Senior Financing Discharge Date"** means the first date on which all Additional Senior Financing Liabilities have been fully and finally discharged and no Additional Senior Financing Creditor is under any further obligation to provide financial accommodation to any of the Debtors under the relevant Additional Senior Financing Documents.

**"Additional Senior Financing Documents"** means in relation to any Additional Senior Financing, the Additional Senior Financing Agreement, any fee letter entered into under or in connection with the Additional Senior Financing Agreement and any other document or instrument relating to that Additional Senior Financing and designated as such by the Company and the Creditor Representative under that Additional Senior Financing.

**"Additional Senior Financing Event of Default"** means, in relation to any Additional Senior Financing, an event of default (however described) under the Additional Senior Financing Agreement which entitles the Additional Senior Financing Creditors to give (or to instruct the relevant Creditor Representative to give) a notice of acceleration or that otherwise triggers similar consequences in respect of such Additional Senior Financing to those in clause 28.18 (*Acceleration and/or other remedies*) of the Senior Facility Agreement and/or clause [•] of the Senior Secured Notes Indenture.

**"Additional Senior Financing Liabilities"** means Liabilities owed by the Company or any Debtors to any Additional Senior Financing Creditor under or in connection with any Additional Senior Financing Documents.

**"Additional Senior Financing Security Documents"** means the Spanish law governed share pledges granted or to be granted by the Company in favour of the Security Agent for the benefit of the:

- (a) Additional Senior Financing Creditors in respect of any Additional Senior Financing; and
- (b) the Ancillary Lender in respect of any Ancillary Facility entered into after the Senior Facility and Senior Secured Notes Security Documents,

over the Secured Shares which shall, save as provided in this Agreement, in priority immediately succeed after all prior ranking Transaction Security over the Secured Shares.

**"Affiliate"** means, in relation to any person, a Subsidiary of that person or a Holding Company of that person or any other Subsidiary of that Holding Company.

**"Ancillary Document"** means each document relating to or evidencing the terms of an Ancillary Facility.

**"Ancillary Facility"** means any ancillary facility made available in accordance with the Senior Facility Agreement.

**"Ancillary Lender"** means each Senior Facility Lender (or Affiliate of a Senior Facility Lender) which makes available an Ancillary Facility.

**"Appropriation"** means the appropriation (or similar process) of the Secured Shares by the Security Agent (or any Receiver or Delegate) which is effected (to the extent permitted under the relevant Security Document and applicable law) by enforcement of the Transaction Security.

**"Available Commitment"** has the meaning given to that term in the Senior Facility Agreement.

**"BAML"** means Bank of America N.A. Sucursal en España.

**"BAML Facility"** means the loan facility made available under the BAML Facility Agreement.

**"BAML Facility Agreement"** means the EUR 60,000,000 facility agreement dated 21 March 2012 entered into between the Company as borrower and BAML as lender.

**"Bilateral Facilities"** means each of the BAML Facility, the ICO Facility and the SG Facility and **"Bilateral Facility"** means any one of them.

**"Bilateral Facility Acceleration Event"** means:

- (a) in relation to the BAML Facility, BAML exercising any of its rights to demand repayment of any outstanding indebtedness under clause 23 (*Default*) of the BAML Facility Agreement;
- (b) in relation to the ICO Facility, ICO exercising any of its rights to demand repayment of any outstanding indebtedness under clause 10 (*Supuestos de incumplimiento*) of the ICO Facility Agreement; and
- (c) in relation to the SG Facility, SG exercising any of its rights to demand repayment of any outstanding indebtedness under clause 19 (*Default*) of the SG Facility Agreement.

**"Bilateral Facility Agreements"** means each of the BAML Facility Agreement, the ICO Facility Agreement and the SG Facility Agreement and **"Bilateral Facility Agreement"** means any one of them.

**"Bilateral Facility Borrower"** means:

- (a) in relation to the BAML Facility, the Company; and
- (b) in relation to the ICO Facility, the Parent; and



(c) in relation to the SG Facility, Gestamp Metalbages S.A..

**"Bilateral Facility Commitment"** in respect of each Bilateral Facility Agreement means the "Commitment" or equivalent of such term under that Bilateral Facility Agreement.

**"Bilateral Facility Discharge Date"** means in relation to any Bilateral Facility the first date on which all Bilateral Facility Liabilities owing under that Bilateral Facility have been fully and finally discharged and the relevant Bilateral Facility Lender is under no further obligation to provide financial accommodation to the applicable Bilateral Facility Borrower under the relevant Bilateral Facility Agreement.

**"Bilateral Facility Lenders"** means each of BAML, ICO and SG and **"Bilateral Facility Lender"** means any one of them.

**"Bilateral Facility Liabilities"** means the Liabilities owed by the Debtors and, if applicable, the Parent to any Bilateral Facility Lender under or in connection with any Bilateral Facility Agreement.

**"Bilateral Facility Security Documents"** means the second priority Spanish law governed share pledges granted or to be granted by the Company in favour of the Security Agent for the benefit of the Bilateral Facility Lenders over the Secured Shares.

**"Borrowing Liabilities"** means, in relation to a Group Company or (in relation to the ICO Facility) the Parent, the liabilities and obligations (not being Guarantee Liabilities) it may have as a principal debtor to a Creditor in respect of Financial Indebtedness arising under the Debt Documents (whether incurred solely or jointly and including, without limitation, liabilities and obligations as a borrower under the Senior Facility Finance Documents, any Additional Senior Financing Documents, any Bilateral Facility Agreements and as an issuer under the Senior Secured Notes Documents).

**"Business Day"** means a day (other than a Saturday or Sunday) on which banks are open for general business in London, Madrid and Luxembourg.

**"Cash Proceeds"** means:

- (a) proceeds of the Security Property which are in the form of cash; and
- (b) any cash which is generated by holding, managing, exploiting, collecting, realising or disposing of any proceeds of the Security Property which are in the form of Non-Cash Consideration.

**"Charged Property"** means all of the assets which from time to time are, or are expressed to be, the subject of the Transaction Security.

**"Commitment"** means a Senior Facility Commitment, a Bilateral Facility Commitment or an Additional Senior Financing Commitment.

**"Common Assurance"** means any guarantee, indemnity or other assurance against loss in respect of any of the Liabilities, the benefit of which (however conferred) is, to

the extent legally possible, given to all the Secured Parties in respect of their Liabilities (including where the Secured Parties have to the extent legally possible separate but equivalent guarantees, indemnities or assurances against loss in respect of their relevant Liabilities).

**"Common Currency"** means euros.

**"Common Currency Amount"** means, in relation to an amount, that amount converted (to the extent not already denominated in the Common Currency) into the Common Currency at the Security Agent's Spot Rate of Exchange on the Business Day prior to the relevant calculation.

**"Competitive Sales Process"** means:

- (a) any auction or other competitive sales process conducted with the advice of a Financial Adviser appointed by, or approved by, the Security Agent pursuant to Clause 10.6 (*Appointment of Financial Adviser*); and
- (b) any enforcement of the Transaction Security carried out by way of auction or other competitive sales process pursuant to requirements of applicable law.

**"Consent"** means any consent, approval, release or waiver or agreement to any amendment.

**"Creditor/Creditor Representative Accession Undertaking"** means:

- (a) an undertaking substantially in the form set out in Schedule 3 (*Form of Creditor/Creditor Representative Accession Undertaking*);
- (b) a Transfer Certificate or an Assignment Agreement (each as defined in the Senior Facility Agreement);
- (c) an Increase Confirmation (as defined in the relevant Senior Facility Agreement); or
- (d) in the case of an acceding Debtor which is expressed to accede as an Intra-Group Lender in the relevant Debtor Accession Deed, that Debtor Accession Deed.

**"Creditor Representative"** means:

- (a) in relation to the Senior Facility Lenders, the Senior Facility Agent;
- (b) in relation to the Senior Secured Noteholders, the Senior Secured Notes Trustee; and
- (c) in relation to any Additional Senior Financing Creditors, the agent, trustee or other relevant representative under that Additional Senior Financing or where such Additional Senior Financing is a bilateral facility, the lender that makes such Additional Senior Financing available.

**"Creditors"** means the Senior Facility Creditors, the Additional Senior Financing Creditors, the Senior Secured Noteholders, the Senior Secured Notes Trustee, the Bilateral Facility Lenders, the Intra-Group Lenders, the Equity Investors and the Equity Investor Affiliates.

**"Debt Disposal"** means any disposal of any Liabilities or Debtors' Intra-Group Receivables pursuant to paragraph (d) or (e) of Clause 10.2 (*Facilitation of Distressed Disposals and Appropriation*).

**"Debt Document"** means each of this Agreement, the Senior Facility Finance Documents, the Senior Secured Notes Documents, any Additional Senior Financing Documents, the Bilateral Facility Agreements, the Security Documents, any Equity Investor Document and any agreement evidencing the terms of any Intra-Group Liabilities and any other document designated as such by the Security Agent and the Company.

**"Debtor"** means each Original Debtor and any person which becomes a Party as a Debtor in accordance with the terms of Clause 17 (*Changes to the Parties*).

**"Debtor Accession Deed"** means:

- (a) a deed substantially in the form set out in Schedule 1 (*Form of Debtor Accession Deed*); or
- (b) (only in the case of a Group Company which is acceding as a borrower or guarantor under the Senior Facility Agreement) an accession document in the form required by the Senior Facility Agreement (**provided that** it contains an accession to this Agreement which is substantially in the form set out in Schedule 1 (*Form of Debtor Accession Deed*)).

**"Debtor Resignation Request"** means a notice substantially in the form set out in Schedule 2 (*Form of Debtor Resignation Request*).

**"Debtors' Intra-Group Receivables"** means, in relation to a Group Company, any liabilities and obligations owed to any Debtor (whether actual or contingent and whether incurred solely or jointly) by that Group Company.

**"Default"** means an Event of Default or any event or circumstance which would (with the expiry of a grace period, the giving of notice, the making of any determination under the Debt Documents or any combination of any of the foregoing) be an Event of Default, **provided that** any such event or circumstance which requires the satisfaction of a condition as to materiality before it becomes an Event of Default shall not be a Default unless that condition is satisfied.

**"Defaulting Lender"** has the meaning given to that term in the Senior Facility Agreement.

**"Delegate"** means any delegate, agent, attorney or co-trustee appointed by the Security Agent.

**"Designated Gross Amount"** means, in relation to a Multi-account Overdraft, that Multi-account Overdraft's "Designated Gross Amount" under and as defined in the Senior Facility Agreement.

**"Designated Net Amount"** means, in relation to a Multi-account Overdraft, that Multi-account Overdraft's "Designated Net Amount" under and as defined in the Senior Facility Agreement.

**"Distress Event"** means any of:

- (a) an Acceleration Event; or
- (b) the enforcement of any Transaction Security.

**"Distressed Disposal"** means a disposal of an asset of a Group Company which is:

- (a) being effected at the request of the Instructing Group in circumstances where the Transaction Security has become enforceable;
- (b) being effected by enforcement of the Transaction Security; or
- (c) being effected, after the occurrence of a Distress Event, by a Debtor to a person or persons which is, or are, not a Group Company.

**"EIB"** means the European Investment Bank.

**"EIB-ICO Facility"** means the loan facilities made available under the EIB-ICO Facility Agreements.

**"EIB-ICO Facility Agreements"** means the EIB Facility Agreement and the ICO Facility Agreement.

**"EIB Facility Agreement"** means the EUR 125,000,000 facility agreement dated 27 June 2011 entered into between the Parent as borrower and EIB as lender pursuant to which the principal amount drawn does not exceed EUR 108,400,000.

**"Enforcement Action"** means:

- (a) in relation to any Liabilities:
  - (i) the acceleration of any Liabilities of any Group Company or the making of any declaration that any such Liabilities are prematurely due and payable (other than as a result of it becoming unlawful for a Senior Creditor to perform its obligations under, or of any voluntary or mandatory prepayment arising under, the Debt Documents);
  - (ii) the making of any declaration that any Liabilities of any Group Company are payable on demand;
  - (iii) the giving of notice to any Group Company of a failure to repay principal at the final maturity date of the relevant Liability.

- (iv) the making of a demand in relation to a Liability of any Group Company that is payable on demand (other than a demand made by an Intra-Group Lender in relation to any Intra-Group Liabilities which are on-demand Liabilities to the extent that (A) the demand is made in the ordinary course of dealings between the relevant Debtor and Intra-Group Lender and (B) any resulting Payment would be permitted under this Agreement);
  - (v) the making of any demand against any Group Company in relation to any Guarantee Liabilities of that Group Company;
  - (vi) the exercise of any right to require any Group Company to acquire any Liability (including exercising any put or call option against any Group Company for the redemption or purchase of any Liability but excluding any such right which arises as a result of clause 30 (*Debt Purchase Transactions*) of the Senior Facility Agreement or any equivalent provision of any Debt Document and excluding the exercise by any holder of any Liability of the right to require any Group Company to repurchase such Liability as a result of any mandatory offer following an asset sale or change of control);
  - (vii) the exercise of any right of set-off, account combination or payment netting against any Group Company in respect of any Liabilities other than the exercise of any right of set-off in relation to mercantile current accounts agreements (*contratos de cuenta corriente*) amongst Group Companies in ordinary course of trading.
  - (viii) the suing for, commencing or joining of any legal or arbitration proceedings against any Group Company to recover any Liabilities;
- (b) the taking of any steps to enforce or require the enforcement of any Transaction Security;
- (c) the entering into of any composition, compromise, recovery proceedings (*postepowanie naprawcze*), assignment or similar arrangement with any Group Company which owes any Liabilities, or has given any Security, guarantee or indemnity or other assurance against loss in respect of the Liabilities (other than any action permitted under Clause 17 (*Changes to the Parties*)); or
- (d) the petitioning, applying or voting for, or the taking of any steps (including the appointment of any liquidator, receiver, administrator, compulsory manager, *sedzia kimisarz, nadzorca sadowy, syndyk, zarzadca przymusowy* established under Article 27 of the Polish Act on Registered pledges and the Pledge Register dated 6 December 1996, as amended (J.L. 1996, No. 149, item 703) or Article 931 or article 10641 of the Civil Procedure Code dated 17 November 1964, as amended (J.L. 1964, No. 43, item 296) or similar officer) in relation to, the winding up (which shall include a declaration of bankruptcy), dissolution, administration or reorganisation of any Group Company which owes any Liabilities, or has given any Security, guarantee, indemnity or other assurance against loss in respect of any of the Liabilities, or any of such Group

Company's assets or any suspension of payments or moratorium of any indebtedness of any such Group Company, or any analogous procedure or step in any jurisdiction, except in any such case any solvent liquidation, winding up, dissolution or reorganisation of any Group Company which is not a borrower of any Liabilities owed to a Senior Creditor under the Debt Documents but in the case of a guarantor of any Liabilities owed to a Senior Creditor under the Debt Documents only to the extent not prohibited under the Senior Finance Documents (and any petitioning, applying or voting for or the taking of any steps in relation thereto by any Group Company),

except that the following shall not constitute Enforcement Action:

- (i) the taking of any action falling within paragraph (a)(viii) or (e) above which is necessary (but only to the extent necessary) to preserve the validity, existence or priority of claims in respect of Liabilities, including the registration of such claims before any court or governmental authority and the bringing, supporting or joining of proceedings to prevent any loss of the right to bring, support or join proceedings by reason of applicable limitation periods; and
- (ii) a Senior Creditor bringing legal proceedings against any person solely for the purpose of:
  - (A) obtaining injunctive relief (or any analogous remedy outside England and Wales) to restrain any actual or putative breach of any Debt Document to which it is party;
  - (B) obtaining specific performance (other than specific performance of an obligation to make a payment) with no claim for damages; or
  - (C) requesting judicial interpretation of any provision of any Debt Document to which it is party with no claim for damages.

**"Equity Investor"** means the Original Equity Investor and any person which becomes a Party as an Equity Investor in accordance with the terms of Clause 17 (*Changes to the Parties*).

**"Equity Investor Affiliate"** means any person which becomes a Party as an Equity Investor Affiliate in accordance with the terms of Clause 17 (*Changes to the Parties*).

**"Equity Investor Documents"** means any agreement pursuant to which Financial Indebtedness is made available to a Group Company by an Equity Investor or an Equity Investor Affiliate, except for any relating to the on-loan of the proceeds of the EIB-ICO Facility under the terms of the EIB-ICO Facility Agreements as at the date of this Agreement by the Parent.

**"Equity Investor Liabilities"** means all money and liabilities now or in the future due or owing to any Equity Investor or any Equity Investor Affiliate by any Group Company under or in connection with any Equity Investor Document in any currency, whether actual or contingent, whether incurred solely or jointly with any other person

and whether as principal or surety, together with all accrued interest, all related costs, charges and expenses, but excluding any money and liabilities due or owing to the Parent in respect of the on-loan by the Parent of the proceeds of the EIB-ICO Facility under the terms of the EIB-ICO Facility Agreements as at the date of this Agreement.

**"Event of Default"** means any event or circumstance specified as such in any of the Senior Facility Agreement, the Senior Secured Notes Indenture, any Bilateral Facility Agreement or any Additional Senior Financing Agreement, as the context requires.

**"Fairness Opinion"** means, in respect of a Distressed Disposal or a Liabilities Sale, an opinion that the proceeds received or recovered in connection with that Distressed Disposal or Liabilities Sale are fair from a financial point of view taking into account all relevant circumstances, including, without limitation, the method of enforcement or disposal.

**"Financial Adviser"** means any:

- (a) independent internationally recognised investment bank;
- (b) independent internationally recognised accountancy firm; or
- (c) other independent internationally recognised professional services firm which is regularly engaged in providing valuations of businesses or financial assets or, where applicable, advising on competitive sales processes,

which in each case confirms to the Company and the Security Agent that it does not have a conflict of interest.

**"Financial Indebtedness"** has the meaning given to that term in the Senior Facility Agreement.

**"Further Secured Notice"** has the meaning given to that term in Clause 14.1 (*Incurrence of additional indebtedness*).

**"Group"** means the Company and each of its Subsidiaries.

**"Group Company"** means any member of the Group.

**"Guarantee Liabilities"** means, in relation to a Group Company, the liabilities and obligations under the Debt Documents (present or future, actual or contingent and whether incurred solely or jointly) it may have to a Creditor or Debtor as or as a result of its being a guarantor or surety (including, without limitation, liabilities and obligations arising by way of guarantee, indemnity, contribution or subrogation and in particular any guarantee or indemnity arising under or in respect of the Senior Finance Documents).

**"Holding Company"** means, in relation to a person, any other person in respect of which it is a Subsidiary.

**"ICO"** means Instituto de Crédito Oficial.

**"ICO Facility Agreement"** means the EUR 50,000,000 facility agreement dated 17 November 2011 entered into between the Parent as borrower and ICO as lender pursuant to which the principal amount drawn does not exceed EUR 44,300,000.

**"Insolvency Event"** means, in relation to any Group Company:

- (a) any resolution is passed or order made for the winding up, dissolution, administration or reorganisation of that Group Company or a moratorium is declared in relation to any indebtedness of that Group Company or an administrator is appointed to that Group Company;
- (b) any composition, compromise, assignment or arrangement is made with any of its creditors;
- (c) the appointment of any liquidator, receiver, administrative receiver, administrator, compulsory manager or other similar officer in respect of that Group Company or any of its assets; or
- (d) any analogous procedure or step is taken in any jurisdiction,

other than any solvent liquidation, winding up, dissolution or reorganisation (or analogous procedure or step) of any Group Company which does not constitute an Event of Default.

**"Instructing Group"** means, at any time, those Senior Creditors whose Senior Credit Participations at that time aggregate more than 50 per cent. of the total Senior Credit Participations at that time calculated in accordance with paragraph (g) of Clause 1.2 (*Construction*).

**"Intercreditor Amendment"** means any amendment or waiver which is subject to Clause 23 (*Consents, Amendments and Override*).

**"Intra-Group Lenders"** means each Group Company which has made a loan available to, granted credit to or made any other financial arrangement having similar effect with a Debtor and which is named on the signing pages as an Intra-Group Lender or becomes a Party as an Intra-Group Lender in accordance with the terms of Clause 17 (*Changes to the Parties*).

**"Intra-Group Liabilities"** means the Liabilities owed by any Debtor to any of the Intra-Group Lenders.

**"Legal Reservations"** means:

- (a) the principle that equitable remedies may be granted or refused at the discretion of a court and the limitation of enforcement by laws relating to insolvency, reorganisation and other laws generally affecting the rights of creditors;
- (b) the time barring of claims under applicable limitation laws, the possibility that an undertaking to assume liability for or indemnify a person against non-payment of any stamp duty may be void and defences of set-off or counterclaim;



- (c) the principle that default interest may be held to be unenforceable on the grounds that it is a penalty;
- (d) similar principles, rights and defences under the laws of any jurisdiction in which an Intra-Group Lender, Equity Investor or Equity Investor Affiliate (as the case may be) is incorporated; and
- (e) any other matters which are set out as qualifications or reservations as to matters of law of general application in any legal opinion delivered to any Senior Finance Party.

**"Letter of Credit"** means any "Letter of Credit" under and as defined in the Facility Agreement.

**"Liabilities"** means all present and future liabilities and obligations at any time of any Group Company and, in the case of the ICO Facility, of the Parent to any Senior Creditor under the Debt Documents, both actual and contingent and whether incurred solely or jointly or as principal or surety or in any other capacity together with any of the following matters relating to or arising in respect of those liabilities and obligations:

- (a) any refinancing, novation, deferral or extension;
- (b) any claim for breach of representation, warranty or undertaking or on an event of default or under any indemnity given under or in connection with any document or agreement evidencing or constituting any other liability or obligation falling within this definition;
- (c) any claim for damages or restitution; and
- (d) any claim as a result of any recovery by any Debtor or, in the case of the ICO Facility, by the Parent of a Payment on the grounds of preference or otherwise,

and any amounts which would be included in any of the above but for any discharge, non-provability, unenforceability or non-allowance of those amounts in any insolvency or other proceedings.

**"Liabilities Acquisition"** means, in relation to a person and to any Liabilities, a transaction where that person:

- (a) purchases by way of assignment or transfer;
- (b) enters into any sub-participation in respect of; or
- (c) enters into any other agreement or arrangement having an economic effect substantially similar to a sub-participation in respect of,

the rights in respect of those Liabilities.

**"Liabilities Sale"** means a Debt Disposal pursuant to paragraph (e) of Clause 10.2 (*Facilitation of Distressed Disposals and Appropriation*).

**"Majority Senior Creditors"** means, at any time, those Senior Creditors whose Senior Credit Participations at that time aggregate more than 50 per cent. of the total Senior Credit Participations at that time calculated in accordance with paragraph (g) of Clause 1.2 (*Construction*).

**"Material Adverse Effect"** means a material adverse effect on:

- (a) the business, assets or financial condition of the Group or the relevant Equity Investor or Equity Investor Affiliate;
- (b) the ability of the relevant Intra-Group Lender, Equity Investor or Equity Investor Affiliate to perform its obligations under this Agreement; or
- (c) the validity or enforceability of this Agreement against the relevant Intra-Group Lender, Equity Investor or Equity Investor Affiliate or the rights or remedies of any Senior Creditor against the relevant Intra-Group Lender, Equity Investor or Equity Investor Affiliate under any of the Senior Finance Documents.

**"Multi-account Overdraft"** means an Ancillary Facility which is an overdraft facility comprising more than one account.

**"Multi-account Overdraft Liabilities"** means the Liabilities arising under any Multi-account Overdraft.

**"Non-Cash Consideration"** means consideration in a form other than cash.

**"Non-Cash Recoveries"** means:

- (a) any proceeds of a Distressed Disposal or a Debt Disposal; or
- (b) any amount distributed to the Security Agent pursuant to Clause 7.2 (*Turnover by the Creditors*);

which are, or is, in the form of Non-Cash Consideration.

**"Other Liabilities"** means, in relation to a Group Company, any trading and other liabilities and obligations (not being Borrowing Liabilities or Guarantee Liabilities) it may have to an Intra-Group Lender, Equity Investor, Equity Investor Affiliate or Debtor.

**"Parent"** means Corporación Gestamp S.L.

**"Party"** means a party to this Agreement.

**"Payment"** means, in respect of any Liabilities (or any other liabilities or obligations), a payment, prepayment, repayment, repurchase, redemption, defeasance or discharge of those Liabilities (or other liabilities or obligations).

**"Permitted Enforcement Action"** means:

- (a) the cancellation of any commitments by a Senior Creditor following the occurrence of an Event of Default and/or the giving of any notice by a Senior Creditor to any Group Company of a failure to pay any amount due and payable at final maturity date and/or acceleration of any Liabilities owed to that Senior Creditor by a Debtor or, in the case of the ICO Facility, by the Parent or any declaration by that Senior Creditor that any such Liabilities are prematurely due and payable or payable on demand; and
- (b) the suing for, commencing or joining any legal or arbitration proceedings by a Senior Creditor against any Debtor or, in the case of the ICO Facility, against the Parent to recover any Liabilities owed to that Senior Creditor,

in each case in accordance with the terms of the relevant Debt Document.

**"Permitted Gross Outstandings"** means, in relation to a Multi-account Overdraft, any amount, not exceeding its Designated Gross Amount, which is the aggregate amount of the gross debit balance of overdrafts comprised in that Multi-account Overdraft.

**"Property"** of a member of the Group or of a Debtor means:

- (a) any asset of that member of the Group or of that Debtor;
- (b) any Subsidiary of that member of the Group or of that Debtor; and
- (c) any asset of any such Subsidiary.

**"Receiver"** means a receiver or receiver and manager or administrative receiver of the whole or any part of the Charged Property.

**"Recoveries"** has the meaning given to that term in Clause 13.1 (*Order of application*).

**"Relevant Ancillary Lender"** means, in respect of any SFA Cash Cover, the Ancillary Lender (if any) for which that SFA Cash Cover is provided.

**"Relevant Issuing Bank"** means, in respect of any SFA Cash Cover, the Issuing Bank (if any) for which that SFA Cash Cover is provided.

**"Relevant Liabilities"** means:

- (a) in the case of a Creditor:
  - (i) the Liabilities owed to Creditors ranking (in accordance with the terms of this Agreement) *pari passu* with or in priority to that Creditor (as the case may be); and
  - (ii) all present and future liabilities and obligations, actual and contingent, of the Debtors to the Security Agent; and

- (b) in the case of a Debtor, the Liabilities owed to the Creditors together with all present and future liabilities and obligations, actual and contingent, of the Debtors to the Security Agent.

**"Secured Obligations"** means all the Liabilities and all other present and future liabilities and obligations at any time due, owing or incurred by the Parent, by any Group Company and by each Debtor to any Secured Party under the Debt Documents, both actual and contingent and whether incurred solely or jointly and as principal or surety or in any other capacity.

**"Secured Parties"** means the Security Agent, any Receiver or Delegate and each of the Senior Creditors from time to time but, in the case of each Senior Facility Arranger, Senior Facility Agent, Creditor Representative, Senior Facility Lender, Bilateral Facility Lender, Additional Senior Financing Creditor, Senior Secured Noteholder (to the extent not represented by a Creditor Representative) and Senior Secured Noteholder Trustee, only if it is a Party or has acceded to this Agreement, in the appropriate capacity, pursuant to Clause 17.9 (*Creditor/Creditor Representative Accession Undertaking*).

**"Secured Shares"** means:

- (a) the issued share capital in each of the following companies held by, the Company and Gestamp Servicios S.A.:
  - (i) Gestamp Metalbages S.A.;
  - (ii) Gestamp Bizkaia, S.A.;
  - (iii) Gestamp Vigo S.A.;
  - (iv) Gestamp Palencia S.A.;
  - (v) Gestamp Toledo S.L.; and
- (b) the issued share capital in Gestamp Servicios S.A. held by the Company and Gestamp Toledo, S.L.,

but in the case of the issued share capital of Gestamp Toledo S.L. only once such company has been converted into a *sociedad anónima*.

**"Security"** means a mortgage, charge, pledge, lien or other security interest securing any obligation of any person or any other agreement or arrangement having a similar effect.

**"Security Agent's Spot Rate of Exchange"** means, in respect of the conversion of one currency (the **"First Currency"**) into another currency (the **"Second Currency"**) the Security Agent's spot rate of exchange for the purchase of the Second Currency with the First Currency in the London foreign exchange market at or about 11:00 am (London time) on a particular day, which shall be notified by the Security Agent in accordance with paragraph (e) of Clause 15.3 (*Duties of the Security Agent*).

**"Security Documents"** means:

- (a) each of the Transaction Security Documents;
- (b) any other document entered into at any time by any of the Debtors creating any guarantee, indemnity, Security or other assurance against financial loss in favour of any of the Secured Parties as security for any of the Secured Obligations; and
- (c) any Security granted under any covenant for further assurance in any of the documents referred to in paragraphs (a) and (b) above.

**"Security Property"** means:

- (a) the Transaction Security expressed to be granted in favour of the Security Agent as agent or trustee for any of the Secured Parties for the benefit of those Secured Parties and all proceeds of that Transaction Security;
- (b) all obligations expressed to be undertaken by a Debtor to pay amounts in respect of the Liabilities to the Security Agent as agent or trustee for (or otherwise for the benefit of) the Secured Parties and secured by the Transaction Security together with all representations and warranties expressed to be given by a Debtor in favour of the Security Agent as agent or as trustee for (or otherwise for the benefit of) the Secured Parties;
- (c) the Security Agent's interest in any trust fund created pursuant to Clause 5.3 (*Turnover of Equity Investor Liabilities*) or Clause 7 (*Turnover of Receipts*); and
- (d) any other amounts or property, whether rights, entitlements, chooses in action or otherwise, actual or contingent, which the Security Agent is required by the terms of the Debt Documents to hold as trustee on trust for (or otherwise for the benefit of) the Secured Parties.

**"Senior Credit Participation"** means:

- (a) in relation to a Senior Facility Lender, the aggregate of its Senior Facility Commitments or (for the purposes of calculating the Instructing Group) its aggregate Senior Facility Liabilities;
- (b) in relation to a Senior Secured Noteholder, the aggregate amount of Senior Secured Notes Liabilities owed to that Senior Secured Noteholder;
- (c) in relation to an Additional Senior Financing Creditor, if applicable its aggregate Additional Senior Financing Commitments, and in all other cases and for the purposes of calculating the Instructing Group, the aggregate amount of Additional Financing Liabilities owed to that Additional Senior Financing Creditor; and
- (d) in relation to a Bilateral Facility Lender its aggregate Bilateral Facility Commitments or (for the purposes of calculating the Instructing Group) its aggregate Bilateral Facility Liabilities.

**"Senior Creditors"** means each of the Security Agent, the Senior Facility Creditors, the Senior Secured Notes Trustee, the Senior Secured Noteholders, the Additional Senior Financing Creditors and the Bilateral Facility Lenders.

**"Senior Discharge Date"** means the first date on which all of the Senior Facility Liabilities, the Additional Senior Financing Liabilities (if any), the Senior Secured Notes Liabilities and the Bilateral Facility Liabilities have been fully and finally discharged in accordance with the terms of the relevant Senior Finance Documents whether or not as a result of an enforcement, and the Senior Creditors are under no further obligation to provide financial accommodation to any of the Debtors or, in the case of the ICO Facility, to the Parent under the Senior Finance Documents.

**"Senior Facility"** means each facility made available under the Senior Facility Agreement.

**"Senior Facility Acceleration Event"** means the Senior Facility Agent exercising any of its rights under paragraphs (ii), (iv) or (vi) or, having placed any amount on demand pursuant to paragraphs (iii), (v) or (vii), demand is made under any of those paragraphs in each case of clause 28.18 (*Acceleration*) of the Senior Facility Agreement.

**"Senior Facility Agent"** means the Agent under and as defined in the Senior Facility Agreement.

**"Senior Facility Agreement"** means the EUR 850,000,000 facilities agreement entered into or to be entered into between, among others, the Original Debtors and the Senior Facility Creditors on or about the date of this Agreement.

**"Senior Facility Arranger"** means any Arranger under and as defined in the Senior Facility Agreement.

**"Senior Facility Commitment"** has the meaning given to the term "Commitment" in the Senior Facility Agreement.

**"Senior Facility Creditors"** means each of the Security Agent, the Senior Facility Agent, the Senior Facility Arrangers and the Senior Facility Lenders.

**"Senior Facility Discharge Date"** means the first date on which:

- (a) all Senior Facility Liabilities have been fully and finally discharged whether or not as a result of an enforcement; and
- (b) the Senior Facility Creditors are under no further obligation to provide financial accommodation to any of the Debtors under the Senior Facility Finance Documents.

**"Senior Facility Finance Documents"** means any "Finance Document" under and as defined in the Senior Facility Agreement.

**"Senior Facility Lender"** means any "Lender", "Issuing Bank" and "Ancillary Lender" under and as defined in the Senior Facility Agreement.

**"Senior Facility Lender Cash Collateral"** means any cash collateral provided by a Senior Facility Lender to a Senior Issuing Bank pursuant to clause 7.4 (*Cash Collateral by Non-Acceptable L/C Lender and Borrower's option to provide cash cover*) of the Senior Facility Agreement.

**"Senior Facility Liabilities"** means the Liabilities owed by the Debtors to the Senior Facility Creditors under the Senior Facility Finance Documents.

**"Senior Facility and Senior Secured Notes Security Documents"** means the first priority Spanish law governed share pledges granted or to be granted by the Company in favour of the Security Agent for the benefit of the Senior Facility Creditors and the Senior Secured Noteholders over the Secured Shares.

**"Senior Finance Documents"** means each of the Senior Facility Finance Documents, the Additional Senior Financing Documents, the Bilateral Facility Agreements and the Senior Secured Notes Documents.

**"Senior Issuing Bank"** means any "Issuing Bank" under and as defined in the Senior Facility Agreement.

**"Senior Liabilities"** means the Senior Facility Liabilities, the Senior Secured Note Liabilities, the Senior Secured Notes Trustee Amounts, the Additional Senior Financing Liabilities and the Bilateral Facility Liabilities.

**"Senior Secured Noteholders"** means any holder from time to time of the Senior Secured Notes.

**"Senior Secured Notes"** means the senior secured notes due 2020 issued or to be issued by the Senior Secured Notes Issuer pursuant to the Senior Secured Notes Indenture.

**"Senior Secured Notes Acceleration Event"** means the Senior Secured Notes Trustee (or a Senior Secured Noteholder) exercising any rights to accelerate amounts outstanding under the Senior Secured Notes or any acceleration provision being automatically invoked pursuant to the Senior Secured Notes Indenture (in each case by reason of an event of default howsoever described).

**"Senior Secured Notes Creditors"** means the Senior Secured Noteholders and the Senior Secured Noteholder Trustee.

**"Senior Secured Notes Discharge Date"** means the first date on which all the Senior Secured Notes Liabilities have been fully and finally discharged (including by way of legal defeasance permitted in accordance with the Senior Secured Notes Documents) whether or not as a result of an enforcement, and no Senior Secured Noteholder is under any further obligation to provide financial accommodation to any Debtors under the Senior Secured Notes Documents.

**"Senior Secured Notes Documents"** means the documentation required to implement the issuance of the Senior Secured Notes, including without limitation the Senior Secured Notes, this Agreement, the Senior Secured Notes Indenture and the relevant Transaction Security Documents.

**"Senior Secured Notes Indenture"** means the indenture governing the Senior Secured Notes to be entered into between, among others, the Senior Secured Note Trustee, the Senior Secured Notes Issuer and the Security Agent.

**"Senior Secured Notes Liabilities"** means the Liabilities owed by the Debtors to the Senior Secured Noteholders under or in connection with the Senior Secured Notes and/or the Senior Secured Notes Documents provided, however, the definition of **"Senior Secured Notes Liabilities"** shall not include the Senior Secured Notes Trustee Amounts.

**"Senior Secured Notes Trustee Amounts"** means all amounts payable to the Senior Secured Notes Trustee in relation to the Senior Secured Notes pursuant to the Senior Secured Notes Indenture and guarantees of amounts payable thereunder in respect of its fees, costs, expenses and amounts payable to it personally by way of indemnity.

**"SFA Cash Cover"** means "cash cover" under and as defined in the Senior Facility Agreement.

**"SG"** means Société Générale, S.A..

**"SG Facility"** means the facility made available under the SG Facility Agreement.

**"SG Facility Agreement"** means the back-up facility agreement dated 1 December 2011 entered into between Gestamp Metalbages, S.A. as Back-up Facility Beneficiary and Société Générale, S.A. as Back-up Facility Provider for a maximum amount of EUR 104,000,000, subject to French law.

**"Spanish Insolvency Law"** means Law 22/2003, of 9 July, on insolvency.

**"Spanish Public Document"** means a Spanish law documento público, being either an *escritura pública* or a *pòliza o efecto intervenido por notario español*.

**"Subsidiary"** means any person (referred to as the **"first person"**) in respect of which another person (referred to as the **"second person"**):

- (a) holds a majority of the voting rights in that first person or has the direct or indirect right under the constitution of the first person to direct the overall policy of the first person or alter the terms of its constitution; or
- (b) is a member of that first person and has the right to appoint or remove a majority of its board of directors or equivalent administration, management or supervisory body; or
- (c) has the right to exercise a dominant influence (which must include the right to give directions with respect to operating and financial policies of the first person which its directors are obliged to comply with whether or not for its benefit) over the first person by virtue of provisions contained in the articles (or equivalent) of the first person or by virtue of a control contract which is in writing and is authorised by the articles (or equivalent) of the first person and is permitted by the law under which such first person is established; or



- (d) is a member of that first person and controls alone, pursuant to an agreement with other shareholders or members, a majority of the voting rights in the first person or the rights under its constitution to direct the overall policy of the first person or alter the terms of its constitution,

and for the purposes of this definition, a person shall be treated as a member of another person if any of that person's Subsidiaries is a member of that other person or, if any shares in that other person are held by a person acting on behalf of it or any of its Subsidiaries. A subsidiary undertaking shall include any person the shares or ownership interests in which are subject to Security and where the legal title to the shares or ownership interests so secured are registered in the name of the secured party or its nominee pursuant to such Security.

**"Tax"** means any tax, levy, impost, duty or other charge or withholding of a similar nature (including any penalty or interest payable in connection with any failure to pay or any delay in paying any of the same).

**"Transaction Security"** means the Security created or evidenced or expressed to be created or evidenced under or pursuant to the Security Documents.

**"Transaction Security Documents"** means:

- (a) the Senior Facility and Senior Secured Notes Security Documents;
- (b) the Bilateral Facility Security Documents; and
- (c) any Additional Senior Financing Security Documents.

**"VAT"** means:

- (a) any tax imposed in compliance with the Council Directive of 28 November 2006 on the common system of value added tax (EC Directive 2006/112); and
- (b) any other tax of a similar nature, whether imposed in a member state of the European Union in substitution for, or levied in addition to, such tax referred to in paragraph (a) above, or imposed elsewhere.

## 1.2 Construction

- (a) Unless a contrary indication appears, a reference in this Agreement to:
  - (i) any **"Additional Senior Financing Creditor", "Ancillary Lender", "Bilateral Facility Lender", "Creditor", "Debtor", "Equity Investor", "Equity Investor Affiliate", "Intra-Group Lender", "Issuing Bank", "Party", "Security Agent", "Senior Creditor", "Senior Facility Agent", "Senior Facility Arranger", "Senior Facility Creditor", "Senior Facility Lender", "Senior Secured Noteholder" or "Senior Secured Notes Trustee"** shall be construed to be a reference to it in its capacity as such and not in any other capacity;
  - (ii) any **"Additional Senior Financing Creditor", "Ancillary Lender", "Bilateral Facility Lender", "Debtor", "Equity Investor", "Equity**

**Investor Affiliate**", **"Intra-Group Lender"**, **"Issuing Bank"**, **"Party"**, **"Security Agent"**, **"Senior Creditor"**, **"Senior Facility Agent"**, **"Senior Facility Arranger"**, **"Senior Facility Creditor"**, **"Senior Facility Lender"**, **"Senior Secured Noteholder"**, **"Senior Secured Notes Trustee"**, or any other person shall be construed so as to include its successors in title, permitted assigns and permitted transferees to, or of, its rights and/or obligations under the Debt Documents and, in the case of the Security Agent, any person for the time being appointed as Security Agent or Security Agents in accordance with this Agreement;

- (iii) an **"amount"** includes an amount of cash and an amount of Non-Cash Consideration;
- (iv) **"assets"** includes present and future properties, revenues and rights of every description;
- (v) a **"Debt Document"** or any other agreement or instrument is (other than a reference to a **"Debt Document"** or any other agreement or instrument in **"original form"** and save as provided in respect of the EIB Facility Agreement and the ICO Facility Agreement) a reference to that Debt Document, or other agreement or instrument, as amended, novated, supplemented, extended or restated and includes any increase in any facility or indebtedness, addition to, extension of or other change to any facility or indebtedness provided thereunder, to the extent not prohibited under the Debt Documents;
- (vi) a **"distribution"** of or out of the assets of a Group Company, includes a distribution of cash and a distribution of Non-Cash Consideration;
- (vii) **"enforcing"** (or any derivation) the Transaction Security includes the appointment of an administrator (or any analogous officer in any jurisdiction) of a Debtor by the Security Agent;
- (viii) **"euro"** denotes the single currency of any member state of the European Union that has the euro as its lawful currency in accordance with legislation of the European Union relating to Economic and Monetary Union;
- (ix) **"indebtedness"** includes any obligation (whether incurred as principal or as surety) for the payment or repayment of money, whether present or future, actual or contingent;
- (x) the **"original form"** of a **"Debt Document"** or any other agreement or instrument is a reference to that Debt Document, agreement or instrument as originally entered into;
- (xi) a **"person"** includes any individual, firm, company, corporation, government, state or agency of a state or any association, trust, joint venture, consortium, partnership or other entity (whether or not having separate legal personality);

- (xii) "**proceeds**" of a Distressed Disposal or of a Debt Disposal includes proceeds in cash and in Non-Cash Consideration;
  - (xiii) a "**regulation**" includes any regulation, rule, official directive, request or guideline (whether or not having the force of law) of any governmental, intergovernmental or supranational body, agency, department or of any regulatory, self-regulatory or other authority or organisation; and
  - (xiv) a provision of law is a reference to that provision as amended or re-enacted.
- (b) Section, Clause and Schedule headings are for ease of reference only.
  - (c) A Default (including an Event of Default) is "**continuing**" if it has not been remedied or waived.
  - (d) In the case of conflict between the terms of this Agreement and the terms of the Debt Documents, the terms of this Agreement will prevail.
  - (e) Where any consent is required under this Agreement from:
    - (i) a Senior Facility Lender or a Senior Facility Creditor where such consent is required after the Senior Facility Discharge Date;
    - (ii) a Senior Secured Noteholder or the Senior Secured Notes Trustee where such consent is required after the Senior Secured Notes Discharge Date (or prior to any Senior Secured Notes having been issued);
    - (iii) an Additional Senior Financing Creditor where such consent is required after the relevant Additional Senior Financing Discharge Date (or prior to the relevant Additional Senior Financing Agreement having been entered into); or
    - (iv) a Bilateral Lender where such consent is required after the relevant Bilateral Facility Discharge Date,

such consent requirement will not apply. On and from the Senior Facility Discharge Date, the Senior Facility Agent will cease to be a Creditor Representative in that capacity for the purposes of this Agreement. On and from any Additional Senior Financing Discharge Date, the relevant representative of the Additional Senior Financing Creditors under such Additional Senior Financing will cease to be a Creditor Representative in that capacity for the purposes of this Agreement. On and from the Senior Secured Notes Discharge Date, the Senior Secured Notes Trustee will cease to be a Creditor Representative in that capacity for the purpose of this Agreement.

- (f) References to the Senior Secured Notes Trustee acting on behalf of the Senior Secured Noteholders means such Senior Secured Notes Trustee acting on behalf of the Senior Secured Noteholders which it represents or, if applicable, with the consent of the requisite number of Senior Secured Noteholders

required under and in accordance with the Senior Secured Notes Indenture. The Senior Secured Notes Trustee will be entitled to seek instructions from the Senior Secured Noteholders which it represents to the extent required by the applicable Senior Secured Notes Indenture as to any action to be taken by it under this Agreement.

- (g) For the purposes of a calculation relating to the definition of Majority Senior Creditors or Instructing Group:
  - (i)
    - (A) the Senior Facility Lenders may only provide one vote (acting by the Senior Facility Agent on instructions of the requisite proportion of Senior Facility Lenders required under the Senior Facility Agreement) in an amount equal to their total Senior Credit Participations;
    - (B) the Additional Senior Financing Creditors under each Additional Senior Financing Agreement may only provide one vote (acting by the relevant Creditor Representative on instructions of the requisite proportion of Additional Senior Financing Creditors required under that Additional Senior Financing Agreement) in an amount equal to their total Senior Credit Participations under that Additional Senior Financing Agreement;
    - (C) the Senior Secured Noteholders under the Senior Secured Notes Indenture may only provide one vote (acting by the Senior Secured Notes Trustee on instructions of the requisite proportion of Senior Secured Noteholders required under the Senior Secured Notes Indenture) in an amount equal to their total Senior Credit Participations under the Senior Secured Notes Indenture;
    - (D) each Bilateral Lender may vote individually and provide one vote in respect of the total Senior Credit Participations arising from its Bilateral Facility Agreement; and
  - (ii) Senior Credit Participations under a Senior Finance Document which are denominated in a currency other than euro will be notionally converted into euro at the Security Agent's Spot Rate of Exchange on the date of that Senior Finance Document.
- (h) If any Additional Senior Financing is incurred by way of an issue of notes, bonds or debt securities, if and to the extent required by the Company, the Creditor Representative in respect of such Additional Senior Financing shall be treated, and benefit from the same rights and protective provisions, *mutatis mutandis*, as the Senior Secured Notes Trustee, including in respect of amounts owing to such Creditor Representative ranking and having the priority in respect of proceeds of enforcement as the Senior Secured Notes

Trustee Amounts. If the Company requires this provision to apply to any Additional Senior Financing it shall notify the Security Agent accordingly.

### 1.3 Third party rights

- (a) Unless expressly provided to the contrary in this Agreement, a person who is not a Party has no right under the Contracts (Rights of Third Parties) Act 1999 (the "**Third Parties Rights Act**") to enforce or to enjoy the benefit of any term of this Agreement.
- (b) Notwithstanding any term of this Agreement, the consent of any person who is not a Party is not required to rescind or vary this Agreement at any time.
- (c) Any Receiver, Delegate or any other person described in paragraph (b) of Clause 15.10 (*Exclusion of liability*) may, subject to this Clause 1.3 and the Third Parties Rights Act, rely on any Clause of this Agreement which expressly confers rights on it.

### 1.4 Hungarian terms

In this Agreement, where it relates to a Hungarian entity, a reference to:

- (a) a "**share**" means a quota (in Hungarian: "*üzletrész*") and "**share capital**" means capital made up by quota (in Hungarian: "*törzst ke*") in respect of a Hungarian limited liability company (in Hungarian: "*korlátolt felel sség társaság*");
- (b) a suspension of payments, a moratorium of any indebtedness, winding-up, dissolution, administration or reorganisation includes (among others) "bankruptcy" (in Hungarian: "*cs deljárás*"), liquidation (in Hungarian: "*felszámolási eljárás*"), winding-up (in Hungarian: "*végelszámolási eljárás*") proceedings, as defined under the Hungarian Act XLIX of 1991 on Bankruptcy and Liquidation Proceedings (including also its provisions under articles 65-70 regulating special proceedings that may apply in respect of companies having substantial importance for the national economy), and under Act V of 2006 on Private Company Information, Company Registration and Winding - up Proceedings; and
- (c) a liquidator, receiver, trustee in bankruptcy, administrative receiver, administrator, compulsory manager or other similar officer includes (among others) a "*cs dgondnok*", "*felszámoló*", "*végelszámoló*", "*vagyongfelügyel* ", "*felügyel biztos*" and "*állami felszámoló*".

### 1.5 Luxembourg Terms

In this Agreement, where it relates to the Senior Secured Notes Issuer or any other Luxembourg entity, a reference to:

- (a) a "**liquidator**", "**receiver**", "**administrative receiver**", "**administrator**", "**compulsory manager**" or similar officer includes any:

- (i) *juge-comissaire* or insolvency receiver (*curateur*) appointed under the Luxembourg Commercial Code;
  - (ii) *liquidateur* appointed under Articles 141 to 151 (inclusive) of the Luxembourg law dated 10 August 1915 on commercial companies, as amended;
  - (iii) *juge-commissaire* or *liquidateur* appointed under Article 203 of the Luxembourg law dated 10 August 1915 on commercial companies, as amended;
  - (iv) *commissaire* appointed under the Grand-Ducal decree of 24 May 1935 on the controlled management regime or under Articles 593 to 614 (inclusive) of the Luxembourg Commercial Code; and
  - (v) *juge délégué* appointed under the Luxembourg law of 14 April 1886 on the composition to avoid bankruptcy, as amended;
- (b) a "**winding-up**", "**dissolution**" "**administration**" or "**reorganisation**" includes, without limitation, bankruptcy (*faillite*), liquidation, composition with creditors (*concordat préventif de faillite*), moratorium or reprieve from payment (*sursis de paiement*) and controlled management (*gestion contr lée*); and
- (c) a Luxembourg entity that "**is unable admits inability to pay its debts**" includes that Luxembourg entity being in a state of cessation of payments (*cessation de paiements*) and loss of creditworthiness (*ébranlement de crédit*).

## SECTION 2 RANKING AND CREDITORS

### 2. RANKING AND PRIORITY

#### 2.1 Senior Creditor Liabilities

- (a) Each of the Parties agrees that the Liabilities owed by the Debtors to the Senior Creditors, the Intra-Group Lenders, the Equity Investors and the Equity Investor Affiliates shall rank in right and priority of payment in the following order and are postponed and subordinated to any prior ranking Liabilities as follows:
  - (i) **first**, the Senior Liabilities *pari passu* and without any preference between them; and
  - (ii) **second**, the Intra-Group Liabilities and the Equity Investor Liabilities.
- (b) Each Party agrees that the Intra-Group Liabilities and the Equity Investor Liabilities are postponed and subordinated to the Liabilities owed by the Debtors to the Senior Creditors.
- (c) This Agreement does not purport to rank any of the Intra-Group Liabilities or the Equity Investor Liabilities as between themselves.

#### 2.2 Transaction Security

- (a) Subject to paragraph (b) below, each of the Parties agrees that the Transaction Security shall rank and secure the following Liabilities (but only to the extent that such Transaction Security is expressed to secure those Liabilities) in the following order:
  - (i) **first**, pursuant to the Senior Facility and Senior Secured Notes Security Documents, the Senior Facility Liabilities and the Senior Secured Notes Liabilities *pari passu* and without any preference between them;
  - (ii) **second**, pursuant to the Bilateral Facility Security Documents, the Bilateral Facility Liabilities *pari passu* and without any preference between them; and
  - (iii) **thereafter**, pursuant to any Additional Senior Financing Security Documents in the order of priority in which they are entered into in respect of the relevant Additional Senior Financing Liabilities.
- (b) Each of the Parties agrees that notwithstanding paragraph (a) above, the date of execution or order in which the relevant Transaction Security Documents are entered into, or the ranking of such Transaction Security Documents under applicable law, it is agreed by each of them that the Transaction Security shall rank and secure the Senior Liabilities *pari passu* without any preference between them.

## 2.3 Refinancing Debt

The Creditors acknowledge that the Debtors (or any of them) may wish to incur additional Borrowing Liabilities or refinance Borrowing Liabilities and/or incur Liabilities in respect of any such financing or refinancing of Borrowing Liabilities, which in any such case are intended to rank *pari passu* with any existing Liabilities and/or to share in Security over the Secured Shares as contemplated by this Agreement. The Creditors confirm that if and to the extent such a financing or refinancing, such ranking and such Security is not prohibited by any of the terms of the Debt Documents (excluding for this purpose any such documents for any facility or indebtedness which is being completely refinanced) at such time, they will (at the cost of the Debtors) co-operate with the Debtors with a view to enabling such financing or refinancing and such sharing in the Security to take place in a timely manner. In particular, but without limitation, each Bilateral Lender will and each other Senior Creditor hereby authorises and directs its Creditor Representative to, execute any amendment to this Agreement required to reflect such arrangements to the extent such financing, refinancing and/or sharing is not prohibited by the Debt Documents.

## 3. SENIOR LIABILITIES

### 3.1 Payments of Senior Liabilities

- (a) The Debtors may make Payments in respect of the Senior Liabilities at any time in accordance with the terms of the relevant Senior Finance Documents **provided that**, following the occurrence of a Distress Event, no Debtor may make (and no Senior Creditor may receive) Payments of the Senior Facility Liabilities, Additional Senior Financing Liabilities, Senior Secured Notes Liabilities or Bilateral Facility Liabilities except for Recoveries distributed in accordance with Clause 13 (*Application of Proceeds*).
- (b) Notwithstanding any other term of this Agreement, this Agreement does not restrict, regulate or prevent payments by the Parent of amounts due under the EIB-ICO Facility Agreements.

### 3.2 Amendments and Waivers

- (a) Subject to paragraph (b) below the relevant Senior Creditors and the Debtors may amend or waive the terms of the Senior Finance Documents in accordance with their terms (and subject to any consent required under them) at any time.
- (b) The terms of the Senior Finance Documents may not be amended or waived if such amendment or waiver would conflict with the provisions of this Agreement.

### 3.3 Designation of Senior Finance Documents

If the terms of a document effect a change which would, if that change was effected by way of amendment to, or waiver of, the terms of a Senior Finance Document, require the consent of the Majority Senior Creditors under Clause 3.2 (*Amendments*



and Waivers), that document shall not constitute a Senior Finance Document for the purposes of this Agreement without the prior consent of the Majority Senior Creditors.

### 3.4 Security and guarantees: Senior Creditors

A Senior Creditor may take, accept or receive the benefit of:

- (a) any Security from any Group Company in respect of the Senior Liabilities in addition to the Security over the Secured Shares if:
  - (i) at the same time it is also offered to the Security Agent as agent or trustee for the other Secured Parties and to the other Secured Parties in respect of their Liabilities and ranks in the same order of priority as that contemplated in Clause 2.2 (*Transaction Security*), **provided that** all amounts received or recovered by such Senior Creditor with respect to such Security are immediately paid to the Security Agent and held and applied in accordance with Clause 13 (*Application of Proceeds*); or
  - (ii) such Security represents the defeasance or other repayment or prepayment of Liabilities or cash collateralisation of a Letter of Credit or Ancillary Facility under and as defined in the Senior Facility Agreement in each case by the deposit or payment of cash with or to the relevant Senior Creditor or its Creditor Representative in accordance or consistent with the terms of the relevant Debt Documents **provided that** (i) no Event of Default is continuing and (ii) such Security is not prohibited by any other Debt Document; and
- (b) any guarantee, indemnity or other assurance against loss from any Group Company in respect of the Senior Facility Liabilities, Additional Senior Financing Liabilities, Senior Secured Notes Liabilities or Bilateral Facility Liabilities in addition to those in the original form of the Senior Facility Agreement, the Senior Secured Notes Indenture and each Bilateral Facility Agreement or any Common Assurance, if and to the extent legally possible, at the same time it is also offered to the other Secured Parties in respect of their Liabilities and ranks in the same order of priority as that contemplated in Clause 2 (*Ranking and Priority*).

### 3.5 Security: Ancillary Lenders and Issuing Banks

Notwithstanding Clause 3.4 (*Security and guarantees: Senior Creditors*) above, an Ancillary Lender or Issuing Bank may take, accept or receive from any Group Company:

- (a) indemnities and assurances against loss contained in the Ancillary Documents no greater in extent than any guarantee, indemnity or other assurance against loss contained in the original form of Senior Facility Agreement, this Agreement or any Common Assurance;

- (b) any SFA Cash Cover permitted under the Senior Facility Agreement relating to any Ancillary Facility or for any Letter of Credit issued by the Issuing Bank; or
- (c) any Security, guarantee, indemnity or other assurance against loss giving effect to, or arising as a result of the effect of, any netting or set-off arrangement relating to the Ancillary Facilities for the purpose of netting debit and credit balances arising under the Ancillary Facilities.

**3.6 Restriction on Enforcement: Senior Facility Creditors, Additional Senior Financing Creditors, Senior Secured Notes Creditors and Bilateral Facility Lenders**

- (a) No Senior Facility Creditor, Additional Senior Financing Creditor, Senior Secured Notes Creditor or Bilateral Facility Lender may take any Enforcement Action (other than a Permitted Enforcement Action) without the prior written consent of the Majority Senior Creditors other than in accordance with Clause 9 (*Enforcement of Transaction Security*).
- (b) Notwithstanding paragraph (a) above, each Ancillary Lender and Issuing Bank may take Enforcement Action which would be available to it but for paragraph (a) above if:
  - (i) at the same time as, or prior to, that action, Enforcement Action has been taken in respect of the Senior Facility Liabilities (excluding the Liabilities owing to Ancillary Lenders and the Issuing Banks), in which case the Ancillary Lenders and the Issuing Banks may take the same Enforcement Action as has been taken in respect of those Senior Facility Liabilities;
  - (ii) that action is contemplated by the Senior Facility Agreement or Clause 3.5 (*Security: Ancillary Lenders and Issuing Banks*);
- (c) Paragraph (a) above shall not restrict any right of an Ancillary Lender:
  - (i) to demand repayment or prepayment of any of the Liabilities owed to it prior to the expiry date of the relevant Ancillary Facility; or
  - (ii) to net or set-off in relation to a Multi-account Overdraft,

in accordance with the terms of the Senior Facility Agreement and to the extent that the demand is required to reduce, or the netting or set-off represents a reduction from, the Permitted Gross Outstandings of that Multi-account Overdraft to or towards an amount equal to its Designated Net Amount.
- (d) Notwithstanding paragraphs (a), (b) and (c) above or anything to the contrary herein, after the occurrence of an Insolvency Event in relation to a Debtor, each Senior Creditor may, to the extent it is able to do so under the relevant Senior Finance Documents and applicable law, take Enforcement Action under paragraph (a) and (d) of that definition in respect of that Debtor and/or claim in the winding up, dissolution, administration, reorganisation or similar insolvency event of that Debtor for Senior Liabilities owing to it (but, for the

avoidance of doubt, may not direct the Security Agent to enforce the Transaction Security in any manner).

#### **4. INTRA-GROUP LENDERS AND INTRA-GROUP LIABILITIES**

##### **4.1 Restriction on Payment: Intra-Group Liabilities**

Prior to the Senior Discharge Date, the Debtors shall not make any Payments of the Intra-Group Liabilities at any time unless:

- (a) that Payment is permitted under Clause 4.2 (*Permitted Payments: Intra-Group Liabilities*); or
- (b) the taking or receipt of that Payment is permitted under paragraph (c) of Clause 4.7 (*Permitted Enforcement: Intra-Group Lenders*).

##### **4.2 Permitted Payments: Intra-Group Liabilities**

- (a) Subject to paragraph (b) below, the Debtors may make Payments in respect of the Intra-Group Liabilities (whether of principal, interest or otherwise) from time to time.
- (b) Payments in respect of the Intra-Group Liabilities may not be made pursuant to paragraph (a) above if, at the time of the Payment, an Acceleration Event has occurred unless:
  - (i) prior to the Senior Discharge Date the Instructing Group consent to that Payment being made; or
  - (ii) that Payment is made to facilitate Payment of the Senior Liabilities.
- (c) Nothing in this Agreement shall prevent the capitalisation, write-off, waiver, release or transfer in whole or part of any Intra-Group Liabilities unless an Acceleration Event has occurred.

##### **4.3 Payment obligations continue**

No Debtor shall be released from the liability to make any Payment (including of default interest, which shall continue to accrue) under any Debt Document by the operation of Clauses 4.1 (*Restriction on Payment: Intra-Group Liabilities*) and 4.2 (*Permitted Payments: Intra-Group Liabilities*) even if its obligation to make that Payment is restricted at any time by the terms of any of those Clauses.

##### **4.4 Acquisition of Intra-Group Liabilities**

- (a) Subject to paragraph (b) below, each Debtor may, and may permit any other Group Company to:
  - (i) enter into any Liabilities Acquisition; or
  - (ii) beneficially own all or any part of the share capital of a company that is party to a Liabilities Acquisition,

in respect of any Intra-Group Liabilities at any time.

- (b) Subject to paragraph (c) below, no action described in paragraph (a) above may take place in respect of any Intra-Group Liabilities if at the time of that action, an Acceleration Event has occurred.
- (c) The restrictions in paragraph (b) above shall not apply if:
  - (i) prior to the Senior Discharge Date the Instructing Group consent to that action; or
  - (ii) that action is taken to facilitate Payment of the Senior Liabilities.

#### **4.5 Security: Intra-Group Lenders**

Prior to the Senior Discharge Date, the Intra-Group Lenders may not take, accept or receive the benefit of any Security, guarantee, indemnity or other assurance against loss in respect of the Intra-Group Liabilities unless:

- (a) that Security, guarantee, indemnity or other assurance against loss is not prohibited by any of the Senior Finance Documents; or
- (b) the prior consent of the Instructing Group is obtained.

#### **4.6 Restriction on enforcement: Intra-Group Lenders**

Subject to Clause 4.7 (*Permitted Enforcement: Intra-Group Lenders*), none of the Intra-Group Lenders shall be entitled to take any Enforcement Action in respect of any of the Intra-Group Liabilities at any time prior to the Senior Discharge Date.

#### **4.7 Permitted Enforcement: Intra-Group Lenders**

After the occurrence of an Insolvency Event in relation to any Debtor, each Intra-Group Lender may (unless otherwise directed by the Security Agent or unless the Security Agent has taken, or has given notice that it intends to take, action on behalf of that Intra-Group Lender in accordance with Clause 6.5 (*Filing of claims*)), exercise any right it may otherwise have against that Debtor to:

- (a) accelerate any of that Debtor's Intra-Group Liabilities or declare them prematurely due and payable or payable on demand;
- (b) make a demand under any guarantee, indemnity or other assurance against loss given by that Debtor in respect of any Intra-Group Liabilities;
- (c) exercise any right of set-off or take or receive any Payment in respect of any Intra-Group Liabilities of that Debtor; or
- (d) claim and prove in the liquidation of that Debtor for the Intra-Group Liabilities owing to it.

#### 4.8 **Representations: Intra-Group Lenders**

Each Intra-Group Lender represents and warrants to the Senior Creditors that:

- (a) it is a corporation or partnership, duly incorporated or formed and validly existing under the laws of its jurisdiction of incorporation or formation;
- (b) subject to the Legal Reservations, the obligations expressed to be assumed by it in this Agreement are legal, valid, binding and enforceable obligations; and
- (c) the entry into and performance by it of this Agreement does not and will not conflict with:
  - (i) any law or regulation applicable to it;
  - (ii) its constitutional documents; or
  - (iii) any agreement or instrument binding upon it or any of its assets or constitute a default or termination event (however described) under any such agreement or instrument in any case to an extent or in a manner which has a Material Adverse Effect.

#### 4.9 **Swedish Intra-Group Lenders**

The obligations of each Intra-Group Lender incorporated in Sweden (a "**Swedish Intra-Group Lender**") under Clause 2.1 (*Senior Creditor Liabilities*), Clause 2.3 (*Refinancing Debt*), this Clause 4 (*Intra-Group Lenders and Intra-Group Liabilities*), Clause 6 (*Effect of Insolvency Event*) and Clause 7 (*Turnover of Receipts*) shall be limited, if (and only if) required by the mandatory provisions of the Swedish Companies Act (Sw. *Aktiebolagslagen (2005:551)*) (the "**Swedish Companies Act**") regulating distribution of assets (Chapter 17, Section 3) and it is understood that the liability of a Swedish Intra-Group Lender under Clause 2.1 (*Senior Credit Liabilities*), Clause 2.3 (*Refinancing Debt*), this Clause 4 (*Intra-Group Lenders and Intra-Group Liabilities*), Clause 6 (*Effect of Insolvency Event*) and Clause 7 (*Turnover of Receipts*) only applies to the extent permitted by the above mentioned provisions of the Swedish Companies Act.

### 5. **EQUITY INVESTOR LIABILITIES**

#### 5.1 **Payments of Equity Investor Liabilities**

The Debtors may make Payments in respect of the Equity Investor Liabilities at any time provided such Payments are not prohibited under the terms of any of the Debt Documents.

#### 5.2 **Restrictions on Equity Investor and Equity Investor Affiliate Enforcement Action**

Subject to Clause 5.10 (*Permitted Enforcement: Investors*), on or prior to the Senior Discharge Date no Equity Investor or Equity Investor Affiliate may take Enforcement Action in relation to any Equity Investor Liabilities without the prior consent of the Instructing Group.

### 5.3 Turnover of Equity Investor Liabilities

If at any time on or before the Senior Discharge Date:

- (a) any Equity Investor or Equity Investor Affiliate receives or recovers a payment or distribution of any kind whatsoever (including by way of set-off or combination of accounts) in respect or on account of any of the Equity Investor Liabilities which is not permitted by Clause 5.1 (*Payments of Equity Investor Liabilities*);
- (b) any Equity Investor or Equity Investor Affiliate receives or recovers proceeds pursuant to any Enforcement Action; or
- (c) any Group Company makes any payment or distribution of any kind whatsoever in respect or on account of the purchase or other acquisition of any of the Equity Investor Liabilities where the payment would not be permitted under Clause 5.1 (*Payments of Equity Investor Liabilities*),

the recipient or beneficiary of that payment, distribution, set-off or combination will promptly pay all amounts and distributions received to the Security Agent for application under Clause 13 (*Application of Proceeds*) and, pending that payment, will hold those amounts and distributions on trust for the Security Agent.

### 5.4 No Reduction or Discharge

As between the Debtors, the Equity Investors and the Equity Investor Affiliates, the Equity Investor Liabilities will be deemed not to have been reduced or discharged to the extent of any payment or distribution to the Security Agent under Clause 5.3 (*Turnover of Equity Investor Liabilities*) and no Group Company shall be released from any liability to make any payment or distribution of any kind whatsoever (including of default interest, which shall continue to accrue) with respect to or on account of any Equity Investor Liabilities by the operation of Clause 5.1 (*Payments of Equity Investor Liabilities*) even if its obligation to make that payment or distribution is restricted at any time by the terms of Clause 5.1 (*Payments of Equity Investor Liabilities*).

### 5.5 Indemnity

Immediately after the Senior Discharge Date, each Debtor will (to the extent permitted by law) fully indemnify each Equity Investor and each Equity Investor Affiliate upon demand for the amount of any payment or distribution to the Security Agent under Clause 5.3 (*Turnover of Equity Investor Liabilities*).

### 5.6 No Subrogation of Equity Investors or Equity Investor Affiliates

Without the prior consent of the Instructing Group, on or prior to the Senior Discharge Date neither any Equity Investor nor any Equity Investor Affiliate may in any circumstances exercise any subrogation rights relating to the rights of the Senior Creditors in respect of the Senior Liabilities or any Security or guarantee arising under the Senior Finance Documents.

## **5.7 Amendments to Equity Investor Documents**

On or prior to the Senior Discharge Date, no Debtor, Equity Investor or Equity Investor Affiliate will amend any term of any Equity Investor Document in a manner or to an extent which would result in:

- (a) any principal, interest, distribution or other amount payable under any Equity Investor Document being payable on a date earlier or more frequently than, or in an amount greater than, provided in the relevant Equity Investor Documents at the date of this Agreement or any relevant Equity Investor Documents which may be executed after the date of this Agreement except to the extent such payment is not prohibited by any Senior Finance Document; or
- (b) any Debtor being subject to obligations which would conflict with any provisions of this Agreement; or
- (c) the ranking or subordination provided for in this Agreement being affected in any way that is adverse to the interests of the Senior Creditors,

in each case without the prior consent of the Instructing Group.

Nothing in this Agreement will prevent the roll-up or capitalisation or payment by way of the issue of shares of any Equity Investor Liabilities or the forgiveness, waiver or write-off of any Equity Investor Liabilities.

## **5.8 No acquisition of Equity Investor Liabilities**

On or prior to the Senior Discharge Date, the Debtors shall not, and shall procure that no other Group Company will:

- (a) enter into any Liabilities Acquisition; or
- (b) beneficially own all or any part of the share capital of a company that is party to a Liabilities Acquisition,

in respect of any of the Equity Investor Liabilities, unless the prior consent of the Instructing Group is obtained.

## **5.9 Security: Equity Investors and Equity Investor Affiliates**

No Equity Investor nor any Equity Investor Affiliate may take, accept or receive the benefit of any Security, guarantee, indemnity or other assurance against loss from any Group Company in respect of any of the Equity Investor Liabilities prior to the Senior Discharge Date.

## **5.10 Permitted Enforcement: Equity Investors and Equity Investor Affiliates**

After the occurrence of an Insolvency Event in relation to a Debtor, each Equity Investor and Equity Investor Affiliate may (unless otherwise directed by the Security Agent or unless the Security Agent has taken, or has given notice that it intends to take, action on behalf of that Equity Investor or Equity Investor Affiliate in

accordance with Clause 6.5 (*Filing of claims*)) exercise any right it may otherwise have in respect of that Debtor to:

- (a) accelerate any of the Equity Investor Liabilities owed by such Debtor or declare them prematurely due and payable or payable on demand;
- (b) make a demand under any guarantee, indemnity or other assurance against loss given by that Debtor in respect of any Equity Investor Liabilities;
- (c) exercise any right of set-off or take or receive any Payment in respect of any Equity Investor Liabilities of that Debtor; or
- (d) claim and prove in the liquidation of that Debtor for the Equity Investor Liabilities owing to it.

#### **5.11 Representations: Equity Investors and Equity Investor Affiliates**

Each Equity Investor and each Equity Investor Affiliate represents and warrants to the Senior Creditors that:

- (a) it is a corporation, duly incorporated or formed and validly existing under the laws of its jurisdiction of incorporation or formation;
- (b) the obligations expressed to be assumed by it in this Agreement are, subject to any general principles of law limiting its obligations which are applicable to creditors generally including those referred to in paragraphs (a) to (d) of the definition of Legal Reservations, legal, valid, binding and enforceable obligations; and
- (c) the entry into and performance by it of this Agreement does not conflict with:
  - (i) any law or regulation applicable to it;
  - (ii) its constitutional documents; or
  - (iii) any agreement or instrument binding upon it or any of its assets or constitute a default or termination event (however described) under any such agreement or instrument in any case to an extent or in a manner which has a Material Adverse Effect.



### **SECTION 3 INSOLVENCY, TURNOVER AND ENFORCEMENT**

#### **6. EFFECT OF INSOLVENCY EVENT**

##### **6.1 SFA Cash Cover**

This Clause 6 is subject to Clause 13.3 (*Treatment of SFA Cash Cover and Senior Facility Lender Cash Collateral*).

##### **6.2 Distributions**

- (a) After the occurrence of an Insolvency Event in relation to any Group Company, any Party entitled to receive a distribution out of the assets of that Group Company in respect of Liabilities owed to that Party shall, to the extent it is able to do so, direct the person responsible for the distribution of the assets of that Group Company to make that distribution to the Security Agent (or to such other person as the Security Agent shall direct) until the Liabilities owing to the Secured Parties have been paid in full.
- (b) The Security Agent (or any other person directed by the Security Agent) shall apply distributions made to it under paragraph (a) above in accordance with Clause 13 (*Application of Proceeds*).

##### **6.3 Set-Off**

- (a) Subject to paragraph (b) below, to the extent that any Group Company's Liabilities are discharged by way of set-off (mandatory or otherwise) after the occurrence of an Insolvency Event in relation to that Group Company, any Creditor which benefited from that set-off shall pay an amount equal to the amount of the Liabilities owed to it which are discharged by that set-off to the Security Agent for application in accordance with Clause 13 (*Application of Proceeds*).
- (b) Paragraph (a) above shall not apply to any such discharge of the Multi-account Overdraft Liabilities to the extent that the relevant discharge represents a reduction of the Permitted Gross Outstandings of a Multi-account Overdraft to or towards its Designated Net Amount.

##### **6.4 Non-cash distributions**

If the Security Agent or any other Secured Party receives a distribution in the form of Non-Cash Consideration in respect of any of the Liabilities (other than any distribution of Non-Cash Recoveries), the Liabilities will not be reduced by that distribution until and except to the extent that the realisation proceeds are actually applied towards the Liabilities.

##### **6.5 Filing of claims**

Without prejudice to any Ancillary Lender's right of netting or set-off relating to a Multi-account Overdraft (to the extent that the netting or set-off represents a reduction of the Permitted Gross Outstandings of that Multi-account Overdraft to or towards an

amount equal to its Designated Net Amount) after the occurrence of an Insolvency Event in relation to any Group Company, each Creditor irrevocably authorises the Security Agent, on its behalf, to:

- (a) take any Enforcement Action (in accordance with the terms of this Agreement) against that Group Company;
- (b) demand, sue, prove and give receipt for any or all of that Group Company's Liabilities;
- (c) collect and receive all distributions on, or on account of, any or all of that Group Company's Liabilities; and
- (d) file claims, take proceedings and do all other things the Security Agent considers reasonably necessary to recover that Group Company's Liabilities,

**provided that** any of these actions are permitted by applicable laws.

#### **6.6 Further assurance – Insolvency Event**

Each Creditor will:

- (a) do all things that the Security Agent reasonably requests in order to give effect to this Clause 6; and
- (b) if the Security Agent is not entitled to take any of the actions contemplated by this Clause 6 or if the Security Agent requests that a Creditor take that action, undertake that action itself in accordance with the instructions of the Security Agent or grant a power of attorney to the Security Agent (on such terms as the Security Agent may reasonably require) to enable the Security Agent to take such action.

#### **6.7 Security Agent instructions**

For the purposes of Clause 6.2 (*Distributions*), Clause 6.5 (*Filing of claims*) and Clause 6.6 (*Further assurance – Insolvency Event*) the Security Agent shall act:

- (a) on the instructions of the Majority Senior Creditors; or
- (b) in the absence of any such instructions, as the Security Agent sees fit.

### **7. TURNOVER OF RECEIPTS**

#### **7.1 SFA Cash Cover**

This Clause 7 is subject to Clause 13.3 (*Treatment of Treatment of SFA Cash Cover and Senior Facility Lender Cash Collateral*).

## 7.2 Turnover by the Creditors

Subject to Clause 7.3 (*Exclusions*) and to Clause 7.4 (*Permitted assurance and receipts*), if at any time prior to the Senior Discharge Date, any Creditor receives or recovers:

- (a) any Payment or distribution of, or on account of or in relation to, any of the Liabilities which is not either:
  - (i) permitted under this Agreement; or
  - (ii) made in accordance with Clause 13 (*Application of Proceeds*);
- (b) other than where paragraph (a) of Clause 6.3 (*Set-Off*) applies, any amount by way of set-off in respect of any of the Liabilities owed to it which does not give effect to a Payment permitted under this Agreement;
- (c) notwithstanding paragraphs (a) and (b) above, and other than where paragraph (a) of Clause 6.3 (*Set-Off*) applies, any amount:
  - (i) on account of, or in relation to, any of the Liabilities:
    - (A) after the occurrence of a Distress Event; or
    - (B) as a result of any other litigation or proceedings against a Group Company (other than after the occurrence of an Insolvency Event in respect of that Group Company); or
  - (ii) by way of set-off in respect of any of the Liabilities owed to it after the occurrence of a Distress Event,other than, in each case, any amount received or recovered in accordance with Clause 13 (*Application of Proceeds*);
- (d) the proceeds of any enforcement of any Transaction Security except in accordance with Clause 13 (*Application of Proceeds*); or
- (e) other than where paragraph (a) of Clause 6.3 (*Set-Off*) applies, any distribution or Payment of, or on account of or in relation to, any of the Liabilities owed by any Group Company which is not in accordance with Clause 13 (*Application of Proceeds*) and which is made as a result of, or after, the occurrence of an Insolvency Event in respect of that Group Company,

that Creditor will:

- (i) in relation to receipts and recoveries not received or recovered by way of set-off:
  - (A) hold an amount of that receipt or recovery equal to the Relevant Liabilities (or if less, the amount received or recovered) on trust for the Security Agent and promptly pay or distribute that

amount to the Security Agent for application in accordance with the terms of this Agreement; and

(B) promptly pay or distribute an amount equal to the amount (if any) by which the receipt or recovery exceeds the Relevant Liabilities to the Security Agent for application in accordance with the terms of this Agreement; and

(ii) in relation to receipts and recoveries received or recovered by way of set-off, promptly pay an amount equal to that recovery to the Security Agent for application in accordance with the terms of this Agreement.

### **7.3 Exclusions**

Clause 7.2 (*Turnover by the Creditors*) shall not apply to any receipt or recovery by an Ancillary Lender by way of that Ancillary Lender's right of netting or set-off relating to a Multi-account Overdraft (to the extent that that netting or set-off represents a reduction of the Permitted Gross Outstandings of that Multi-account Overdraft to or towards an amount equal to its Designated Net Amount).

### **7.4 Permitted assurance and receipts**

Nothing in this Agreement shall restrict the ability of any Senior Creditor to:

- (a) arrange with any person which is not a Group Company any assurance against loss in respect of, or reduction of its credit exposure to, a Debtor (including assurance by way of credit based derivative or sub-participation); or
- (b) make any assignment or transfer permitted by Clause 17 (*Changes to the Parties*), which:
  - (i) is permitted by the Senior Finance Documents to which such Senior Creditor is a party; and
  - (ii) is not in breach of Clause 5.8 (*No acquisition of Equity Investor Liabilities*) and that Senior Creditor shall not be obliged to account to any other Party for any sum received by it as a result of that action.

### **7.5 Amounts received by Debtors**

If any of the Debtors receive or recover any amount which, under the terms of any of the Debt Documents, should have been paid to the Security Agent, that Debtor will:

- (a) hold an amount of that receipt or recovery equal to the Relevant Liabilities (or if less, the amount received or recovered) on trust for the Security Agent and promptly pay that amount to the Security Agent for application in accordance with the terms of this Agreement; and
- (b) promptly pay an amount equal to the amount (if any) by which the receipt or recovery exceeds the Relevant Liabilities to the Security Agent for application in accordance with the terms of this Agreement.

## 7.6 Saving provision

If, for any reason, any of the trusts expressed to be created in this Clause 7 should fail or be unenforceable, the affected Creditor or Debtor will promptly pay or distribute an amount equal to that receipt or recovery to the Security Agent to be held on trust or for the benefit of the Senior Creditors by the Security Agent for application in accordance with the terms of this Agreement.

## 7.7 Turnover of Non-Cash Consideration

For the purposes of this Clause 7, if any Creditor receives or recovers any amount or distribution in the form of Non-Cash Consideration which is subject to Clause 7.2 (*Turnover by the Creditors*) the cash value of that Non-Cash Consideration shall be determined in accordance with Clause 11.2 (*Cash value of Non-Cash Recoveries*).

## 8. REDISTRIBUTION

### 8.1 Recovering Creditor's rights

- (a) Any amount paid or distributed by a Creditor (a "**Recovering Creditor**") to the Security Agent under Clause 5.3 (*Turnover of Equity Investor Liabilities*), Clause 6 (*Effect of Insolvency Event*) or Clause 7 (*Turnover of Receipts*) shall be treated as having been paid or distributed by the relevant Debtor and distributed to the Security Agent and Senior Creditors (each a "**Sharing Creditor**") in accordance with the terms of this Agreement.
- (b) If permitted by applicable law, on a distribution by the Security Agent under paragraph (a) above of a Payment or distribution received by a Recovering Creditor from a Debtor, as between the relevant Debtor and the Recovering Creditor an amount equal to the amount received or recovered by the Recovering Creditor and paid or distributed to the Security Agent (the "**Shared Amount**") will be treated as not having been paid or distributed by that Debtor to the Recovering Creditor.

### 8.2 Reversal of redistribution

- (a) If any part of the Shared Amount received or recovered by a Recovering Creditor becomes repayable or returnable to a Debtor and is repaid or returned by that Recovering Creditor to that Debtor, then:
  - (i) each Sharing Creditor shall, upon request of the Security Agent, pay or distribute to the Security Agent for the account of that Recovering Creditor an amount equal to the appropriate part of its share of the Shared Amount (together with an amount as is necessary to reimburse that Recovering Creditor for its proportion of any interest on the Shared Amount which that Recovering Creditor is required to pay) (the "**Redistributed Amount**"); and
  - (ii) as between the relevant Debtor and each relevant Sharing Creditor, an amount equal to the relevant Redistributed Amount will be treated as not having been paid or distributed by that Debtor.

- (b) The Security Agent shall not be obliged to pay or distribute any Redistributed Amount to a Recovering Creditor under paragraph (a)(i) above until it has been able to establish to its satisfaction that it has actually received that Redistributed Amount from the relevant Sharing Creditor.

### **8.3 Deferral of subrogation**

- (a) Neither any Creditor nor any Debtor will exercise any rights which it may have by reason of the performance by it of its obligations under the Debt Documents to take the benefit (in whole or in part and whether by way of subrogation or otherwise) of any rights under the Debt Documents of any Creditor which ranks ahead of it in accordance with the priorities set out in Clause 2 (*Ranking and Priority*) until such time as all of the Liabilities owing to each prior ranking Creditor (or, in the case of any Debtor, owing to each Creditor) have been irrevocably discharged in full.
- (b) No Intra-Group Lender, Equity Investor or Equity Investor Affiliate will exercise any rights which it may have to take the benefit (in whole or in part and whether by way of subrogation or otherwise) of any rights under the Transaction Security until the Senior Discharge Date has occurred.

## **9. ENFORCEMENT OF TRANSACTION SECURITY**

### **9.1 SFA Cash Cover**

This Clause 9 is subject to Clause 13.3 (*Treatment of SFA Cash Cover and Senior Facility Lender Cash Collateral*).

### **9.2 Enforcement Instructions**

- (a) The Security Agent may refrain from enforcing the Transaction Security unless instructed otherwise by the Instructing Group.
- (b) Subject to the Transaction Security having become enforceable in accordance with its terms, the Instructing Group may give or refrain from giving instructions to the Security Agent to enforce or refrain from enforcing the Transaction Security as they see fit.
- (c) The Security Agent is entitled to rely on and comply with instructions given in accordance with this Clause 9.2 (*Enforcement Instructions*).

### **9.3 Manner of enforcement**

If the Transaction Security is being enforced pursuant to Clause 9.2 (*Enforcement Instructions*), the Security Agent shall enforce the Transaction Security in such manner (including, without limitation, the selection of any administrator (or any analogous officer in any jurisdiction) of any Debtor to be appointed by the Security Agent) as the Instructing Group shall instruct or, in the absence of any such instructions, as the Security Agent considers in its discretion to be appropriate.

#### **9.4 Exercise of voting rights**

- (a) Each Creditor will cast its vote in any proposal put to the vote by or under the supervision of any judicial or supervisory authority in respect of any insolvency, pre-insolvency or rehabilitation or similar proceedings relating to any Group Company as instructed by the Security Agent.
- (b) The Security Agent shall give instructions for the purposes of paragraph (a) above in accordance with any instructions given to it by the Instructing Group.
- (c) Nothing in this Clause 9.4 entitles any Party to require any Creditor to vote to waive, reduce, discharge or extend the date for payment of any of the Liabilities owed to it.

#### **9.5 Waiver of rights**

To the extent permitted under applicable law and subject to Clause 9.2 (*Enforcement Instructions*), Clause 9.3 (*Manner of enforcement*), Clause 10.5 (*Fair value*) and Clause 13 (*Application of Proceeds*), each of the Secured Parties and the Debtors waives all rights they may otherwise have to require that the Transaction Security be enforced in any particular order or manner or at any particular time or that any amount received or recovered from any person, or by virtue of the enforcement of any of the Transaction Security or of any other security interest, which is capable of being applied in or towards discharge of any of the Secured Obligations is so applied.

#### **9.6 Duties owed**

- (a) Each of the Secured Parties and the Debtors acknowledges that, in the event that the Security Agent enforces or is instructed to enforce the Transaction Security prior to the Senior Discharge Date the duties of the Security Agent and of any Receiver or Delegate owed to the Senior Creditors in respect of the method, type and timing of that enforcement or of the exploitation, management or realisation of any of that Transaction Security, shall, subject to Clause 10.5 (*Fair value*), be no different to or greater than the duty that is owed by the Security Agent, Receiver or Delegate to the Debtor under general law.
- (b) None of the Debtors, Intra-Group Lenders, Equity Investors or Equity Investor Affiliates shall have any right to be consulted in relation to any enforcement action by the Secured Parties or the Security Agent in relation to the Senior Finance Documents.

#### **9.7 Enforcement through Security Agent only**

The Secured Parties shall not have any independent power to enforce, or have recourse to, any of the Transaction Security or to exercise any right, power, authority or discretion arising under the Security Documents (other than the Senior Facility Agreement) except through the Security Agent.

## 9.8 Consultation Period

- (a) Subject to paragraph (b) below, before giving any instructions to the Security Agent to enforce the Transaction Security or to take any other Enforcement Action, the Creditor Representatives and the Bilateral Facility Lenders shall consult with each other and the Security Agent in good faith about the instructions to be given by the Instructing Group for a period of not less than 15 Business Days (or such shorter period as each Creditor Representative, each Bilateral Facility Lender and the Security Agent shall agree) (the "**Consultation Period**"), and only following the expiry of the Consultation Period shall the Instructing Group be entitled to give any instructions to the Security Agent to enforce the Transaction Security or take any other Enforcement Action.
- (b) No Creditor Representative nor any Bilateral Facility Lender shall be obliged to consult in accordance with paragraph (a) above and the Instructing Group shall be entitled to give any instructions to the Security Agent to enforce the Transaction Security or take any other Enforcement Action prior to the end of a Consultation Period if:
  - (i) the Transaction Security has become enforceable as a result of an Insolvency Event; or
  - (ii) the Instructing Group or any Creditor Representative or Bilateral Facility Lender determines in good faith (and notifies each Creditor Representative, Bilateral Facility Lender and the Security Agent) that to enter into such consultations and thereby delay the commencement of enforcement of the Transaction Security could reasonably be expected to have a material adverse effect on:
    - (A) the Security Agent's ability to enforce any of the Transaction Security; or
    - (B) the realisation proceeds of any enforcement of the Transaction Security.



## SECTION 4 DISTRESSED DISPOSALS AND CLAIMS

### 10. DISTRESSED DISPOSALS AND APPROPRIATION

#### 10.1 Non-Distressed Disposals

- (a) The Security Agent (on behalf of itself and the Secured Parties) hereby agrees (and is irrevocably authorised and instructed to do so without any consent, sanction, authority or further confirmation from any Creditor or Debtor) that it shall (at the request and cost of the relevant Debtor or the Company) promptly release from the Transaction Security any Security (and/or any other claim relating to a Debt Document) over any asset:
  - (i) which is the subject of a disposal (not being a Distressed Disposal) not prohibited by the terms of any Debt Document (including a disposal to a member of the Group, but without prejudice to any obligation of any member of the Group in a Debt Documents to provide replacement security); and
  - (ii) which the Senior Facility Agent has notified the Security Agent is permitted under the Senior Facility Documents.

The Senior Facility Agent shall promptly provide any such notification when requested by the Company.

- (b) When making any request for a release pursuant to paragraph (a) of this Clause 10.1 the Company shall confirm in writing to the Security Agent that the relevant disposal or other action is not prohibited by the terms of any Debt Document and the Security Agent shall be entitled to rely on that confirmation for all purposes under the Debt Documents.
- (c) The Security Agent shall (at the cost and expense of the relevant Debtor or the Company but without the need for any further consent, sanction, authority or further confirmation from any Creditor or Debtor) promptly enter into and deliver such documentation as the Company (acting reasonably) shall require to give effect to any release contemplated by this Clause 10.1.
- (d) Each release of Transaction Security or any claim described in paragraph (a) above shall become effective only on the making of the relevant disposal.

#### 10.2 Facilitation of Distressed Disposals and Appropriation

If and to the extent permitted by applicable law a Distressed Disposal or an Appropriation is being effected the Security Agent is irrevocably authorised (at the cost of the Company and without any consent, sanction, authority or further confirmation from any Creditor, other Secured Party or Debtor):

- (a) ***release of Transaction Security/non-crystallisation certificates:*** to release the Transaction Security or any other claim over the asset subject to the Distressed Disposal or Appropriation and execute and deliver or enter into any release of that Transaction Security or claim or any consent to dealing that

may, in the discretion of the Security Agent, be considered necessary or desirable;

- (b) ***release of liabilities and Transaction Security on a share sale/Appropriation (Debtor)***: if the asset subject to the Distressed Disposal or Appropriation consists of shares in the capital of a Debtor, to release:

- (i) that Debtor and any Subsidiary of that Debtor from all or any part of:
  - (A) its Borrowing Liabilities;
  - (B) its Guarantee Liabilities; and
  - (C) its Other Liabilities;
- (ii) any Transaction Security granted by that Debtor or any Subsidiary of that Debtor over any of its assets; and
- (iii) any other claim of an Intra-Group Lender, Equity Investor, Equity Investor Affiliate or another Debtor over that Debtor's assets or over the assets of any Subsidiary of that Debtor,

on behalf of the relevant Creditors and Debtors;

- (c) ***release of liabilities and Transaction Security on a share sale/Appropriation (Holding Company)***: if the asset subject to the Distressed Disposal or Appropriation consists of shares in the capital of any Holding Company of a Debtor, to release:

- (i) that Holding Company and any Subsidiary of that Holding Company from all or any part of:
  - (A) its Borrowing Liabilities;
  - (B) its Guarantee Liabilities; and
  - (C) its Other Liabilities;
- (ii) any Transaction Security granted by any Subsidiary of that Holding Company over any of its assets; and
- (iii) any other claim of an Intra-Group Lender, Equity Investor, Equity Investor Affiliate or another Debtor over the assets of any Subsidiary of that Holding Company,

on behalf of the relevant Creditors and Debtors;

(d) *facilitative disposal of liabilities on a share sale/Appropriation*: if the asset subject to the Distressed Disposal or Appropriation consists of shares of a Debtor or the Holding Company of a Debtor and the Security Agent decides to dispose of all or any part of:

(i) the Liabilities (other than Liabilities due to any Creditor Representative (but excluding for this purpose an Additional Senior Financing Creditor that is a bilateral lender) or any Senior Facility Arranger); or

(ii) the Debtors' Intra-Group Receivables,

owed by that Debtor or Holding Company or any Subsidiary of that Debtor or Holding Company (on the basis that any transferee of those Liabilities or Debtors' Intra-Group Receivables (the "**Transferee**") will not be treated as a Senior Creditor or a Secured Party for the purposes of this Agreement), to execute and deliver or enter into any agreement to dispose of all or part of those Liabilities or Debtors' Intra-Group Receivables on behalf of the relevant Creditors and Debtors **provided that** notwithstanding any other provision of any Debt Document the Transferee shall not be treated as a Senior Creditor or a Secured Party for the purposes of this Agreement;

(e) *sale of liabilities on a share sale/Appropriation*: if the asset subject to the Distressed Disposal or Appropriation consists of shares in the capital of a Debtor or the Holding Company of a Debtor and the Security Agent decides to dispose of all or any part of:

(i) the Liabilities (other than Liabilities due to any Creditor Representative (but excluding for this purpose an Additional Senior Financing Creditor that is a bilateral lender) or any Senior Facility Arranger); or

(ii) the Debtors' Intra-Group Receivables,

owed by that Debtor or Holding Company or any Subsidiary of that Debtor or Holding Company on the basis that any transferee of those Liabilities or Debtors' Intra-Group Receivables will be treated as a Senior Creditor or a Secured Party for the purposes of this Agreement, to execute and deliver or enter into any agreement to dispose of:

(A) all (and not part only) of the Liabilities owed to the Senior Creditors (other than Liabilities due to any Creditor Representative (but excluding for this purpose an Additional Senior Financing Creditor that is a bilateral lender) or any Senior Facility Arranger); and

(B) all or part of any other Liabilities (other than Liabilities due to any Creditor Representative (but excluding for this purpose an Additional Senior Financing Creditor that is a bilateral lender or any Senior Facility Arranger) and the Debtors' Intra-Group Receivables,

on behalf of, in each case, the relevant Creditors and Debtors;

- (f) ***transfer of obligations in respect of liabilities on a share sale/Appropriation:*** if the asset subject to the Distressed Disposal or Appropriation consists of shares in the capital of a Debtor or the Holding Company of a Debtor (the "**Disposed Entity**") and the Security Agent decides to transfer to another Debtor (the "**Receiving Entity**") all or any part of the Disposed Entity's obligations or any obligations of any Subsidiary of that Disposed Entity in respect of:

- (i) the Intra-Group Liabilities; or
- (ii) the Debtors' Intra-Group Receivables,

to execute and deliver or enter into any agreement to:

- (A) agree to the transfer of all or part of the obligations in respect of those Intra-Group Liabilities or Debtors' Intra-Group Receivables on behalf of the relevant Intra-Group Lenders and Debtors to which those obligations are owed and on behalf of the Debtors which owe those obligations; and
- (B) to accept the transfer of all or part of the obligations in respect of those Intra-Group Liabilities or Debtors' Intra-Group Receivables on behalf of the Receiving Entity or Receiving Entities to which the obligations in respect of those Intra-Group Liabilities or Debtors' Intra-Group Receivables are to be transferred.

### 10.3 **Form of consideration for Distressed Disposals and Debt Disposals**

Subject to Clause 11.4 (*Security Agent protection*), a Distressed Disposal or a Debt Disposal may be made in whole or in part for consideration in the form of cash or, if not for cash, for Non-Cash Consideration which is acceptable to the Security Agent.

### 10.4 **Proceeds of Distressed Disposals and Debt Disposals**

The net proceeds of each Distressed Disposal and each Debt Disposal shall be paid, or distributed, to the Security Agent for application in accordance with Clause 13 (*Application of Proceeds*) and, to the extent that:

- (a) any Liabilities Sale has occurred; or
- (b) any Appropriation has occurred,

as if that Liabilities Sale, or any reduction in the Secured Obligations resulting from that Appropriation, had not occurred.

## 10.5 Fair value

(a) In the case of:

- (i) a Distressed Disposal; or
- (ii) a Liabilities Sale,

effected by, or at the request of, the Security Agent, the Security Agent shall take reasonable care to obtain a fair market price having regard to the prevailing market conditions (though the Security Agent shall have no obligation to postpone (or request the postponement of) any Distressed Disposal or Liabilities Sale in order to achieve a higher price).

(b) The requirement in paragraph (a) above shall be satisfied (and as between the Creditors and the Debtors shall be conclusively presumed to be satisfied) and the Security Agent will be taken to have discharged all its obligations in this respect under this Agreement, the other Debt Documents and generally at law if:

- (i) that Distressed Disposal or Liabilities Sale is made pursuant to any process or proceedings approved or supervised by or on behalf of any court of law or notary;
- (ii) that Distressed Disposal or Liabilities Sale is made by, at the direction of or under the control of, a liquidator, receiver, administrative receiver, administrator, compulsory manager or other similar officer (or any analogous officer in any jurisdiction) appointed in respect of a Group Company or the assets of a Group Company;
- (iii) that Distressed Disposal or Liabilities Sale is made pursuant to a Competitive Sales Process; or
- (iv) a Financial Adviser appointed by the Security Agent pursuant to Clause 10.6 (*Appointment of Financial Adviser*) has delivered a Fairness Opinion to the Security Agent in respect of that Distressed Disposal or Liabilities Sale.

## 10.6 Appointment of Financial Adviser

(a) Without prejudice to Clause 15.7 (*Rights and discretions*), the Security Agent may engage, or approve the engagement of, (in each case on such terms as it may consider appropriate (including, without limitation, restrictions on that Financial Adviser's liability and the extent to which any advice, valuation or opinion may be relied on or disclosed)), pay for and rely on the services of a Financial Adviser to provide advice, a valuation or an opinion in connection with:

- (i) a Distressed Disposal or a Debt Disposal;
- (ii) the application or distribution of any proceeds of a Distressed Disposal or a Debt Disposal; or

- (iii) any amount of Non-Cash Consideration which is subject to Clause 7.2 (*Turnover by the Creditors*).
- (b) For the purposes of paragraph (a) above, the Security Agent shall act:
  - (i) on the instructions of the Senior Majority Creditors if the Financial Adviser is providing a valuation for the purposes of Clause 11.2 (*Cash value of Non-Cash Recoveries*); or
  - (ii) otherwise in accordance with Clause 10.7 (*Security Agent's actions*).

## 10.7 Security Agent's actions

For the purposes of Clause 10.2 (*Facilitation of Distressed Disposals and Appropriation*), Clause 10.3 (*Form of consideration for Distressed Disposals and Debt Disposals*) and Clause 10.5 (*Fair value*) the Security Agent shall act:

- (a) in the case of an Appropriation or if the relevant Distressed Disposal is being effected by way of enforcement of the Transaction Security, in accordance with Clause 9.3 (*Manner of enforcement*); and
- (b) in any other case:
  - (i) on the instructions of the Majority Senior Creditors; or
  - (ii) in the absence of any such instructions, as the Security Agent sees fit.

## 11. NON-CASH RECOVERIES

### 11.1 Security Agent and Non-Cash Recoveries

To the extent the Security Agent receives or recovers any Non-Cash Recoveries, it may (acting on the instructions of the Majority Senior Creditors) but without prejudice to its ability to exercise discretion under Clause 13.2 (*Prospective Liabilities*):

- (a) distribute those Non-Cash Recoveries pursuant to Clause 13 (*Application of Proceeds*) as if they were Cash Proceeds;
- (b) hold, manage, exploit, collect, realise and dispose of those Non-Cash Recoveries; and
- (c) hold, manage, exploit, collect, realise and distribute any resulting Cash Proceeds.

### 11.2 Cash value of Non-Cash Recoveries

- (a) The cash value of any Non-Cash Recoveries shall be determined by reference to a valuation obtained by the Security Agent from a Financial Adviser appointed by the Security Agent pursuant to Clause 10.6 (*Appointment of Financial Adviser*) taking into account any notional conversion made pursuant to Clause 13.5 (*Currency conversion*).

- (b) If any Non-Cash Recoveries are distributed pursuant to Clause 13 (*Application of Proceeds*), the extent to which such distribution is treated as discharging the Liabilities shall be determined by reference to the cash value of those Non-Cash Recoveries determined pursuant to paragraph (a) above.

#### **11.3 Creditor Representatives and Non-Cash Recoveries**

- (a) Subject to paragraph (b) below, if, pursuant to Clause 13.1 (*Order of application*), any Creditor Representative or Bilateral Facility Lender receives Non-Cash Recoveries for application towards the discharge of any Liabilities, that Creditor Representative or Bilateral Facility Lender shall apply those Non-Cash Recoveries in accordance with the relevant Debt Document as if they were Cash Proceeds.
- (b) Any such Creditor Representative or Bilateral Facility Lender may:
  - (i) use any reasonably suitable method of distribution, as it may determine in its discretion, to distribute those Non-Cash Recoveries in the order of priority that would apply under the relevant Debt Document if those Non-Cash Recoveries were Cash Proceeds;
  - (ii) hold any Non-Cash Recoveries through another person; and
  - (iii) hold any amount of Non-Cash Recoveries for so long as that Creditor Representative or Bilateral Facility Lender shall think fit for later application pursuant to paragraph (a) above.

#### **11.4 Security Agent protection**

- (a) No Distressed Disposal or Debt Disposal may be made in whole or part for Non-Cash Consideration if the Security Agent has reasonable grounds for believing that its receiving, distributing, holding, managing, exploiting, collecting, realising or disposing of that Non-Cash Consideration would have an adverse effect on it.
- (b) If Non-Cash Consideration is distributed to the Security Agent pursuant to Clause 7.2 (*Turnover by the Creditors*) the Security Agent may, at any time after notifying the Creditors entitled to that Non-Cash Consideration and notwithstanding any instruction from a Creditor or group of Creditors pursuant to the terms of any Debt Document, immediately realise and dispose of that Non-Cash Consideration for cash consideration (and distribute any Cash Proceeds of that Non-Cash Consideration to the relevant Creditors in accordance with Clause 13 (*Application of Proceeds*)) if the Security Agent has reasonable grounds for believing that holding, managing, exploiting or collecting that Non-Cash Consideration would have an adverse effect on it.

### **12. FURTHER ASSURANCE - DISPOSALS AND RELEASES**

Each Creditor and Debtor will:

- (a) do all things that the Security Agent requests in order to give effect to Clause 10 (*Distressed Disposals and Appropriation*) (which shall include,

without limitation, the execution of any assignments, transfers, releases or other documents that the Security Agent may consider to be necessary to give effect to the releases or disposals contemplated by that Clause); and

- (b) if the Security Agent is not entitled to take any of the actions contemplated by that Clause or if the Security Agent requests that any Creditor or Debtor take any such action, take that action itself in accordance with the instructions of the Security Agent,

**provided that** the proceeds of those disposals are applied in accordance with Clause 10 (*Distressed Disposals and Appropriation*).



## SECTION 5 PROCEEDS

### 13. APPLICATION OF PROCEEDS

#### 13.1 Order of application

Subject to Clause 13.2 (*Prospective liabilities*) and Clause 13.3 (*Treatment of SFA Cash Cover and Senior Facility Lender Cash Collateral*), all amounts from time to time received or recovered by the Security Agent pursuant to the terms of any Debt Document or in connection with the realisation or enforcement of all or any part of the Transaction Security (for the purposes of this Clause 13, the "**Recoveries**") shall be held by the Security Agent on trust to apply them at any time as the Security Agent (in its discretion) sees fit, to the extent permitted by applicable law (and subject to the provisions of this Clause 13), in the following order of priority:

- (a) **first**, on a *pro rata* basis and *pari passu*, in discharging:
  - (i) any sums (including but not limited to any fees, remuneration, costs, charges, liabilities and expenses (and including any Taxes and VAT required to be paid)) owing to the Security Agent, any Receiver or any Delegate; and
  - (ii) in discharging any sums (including but not limited to any fees, remuneration, costs, charges, liabilities and expenses (and including any Taxes and VAT required to be paid)) owing to any Senior Secured Notes Trustee; and
  - (iii) in discharging any sums (including but not limited to any fees, remuneration, costs, charges, liabilities and expenses (and including any Taxes and VAT required to be paid)) owing to the Senior Facility Agent or to any Creditor Representative (in its capacity as such) in respect of any Additional Senior Financing (but excluding for this purpose any bilateral lender under any Additional Senior Financing);
- (b) **second**, on a *pro rata* and *pari passu* basis to:
  - (i) the Senior Facility Agent on its own behalf and on behalf of the other Senior Facility Creditors;
  - (ii) the Senior Secured Notes Trustee on its own behalf and on behalf of the Senior Secured Noteholders;
  - (iii) each Bilateral Facility Lender; and
  - (iv) any Creditor Representative in respect of an Additional Senior Financing on its own behalf and on behalf of any relevant Additional Senior Financing Creditors,

for application towards the discharge of:

- (A) the Senior Facility Liabilities (in accordance with the terms of the Senior Facility Finance Documents);
- (B) the Senior Secured Notes Liabilities (in accordance with the terms of the Senior Secured Notes Documents);
- (C) the Bilateral Facility Liabilities (on a *pro rata* basis) between the Bilateral Facility Liabilities of each Bilateral Facility Lender; and
- (D) the Additional Senior Financing Liabilities (on a *pro rata* basis) between the Additional Senior Financing Liabilities under the Additional Senior Financing Documents,

on a *pro rata* basis between paragraphs (A) to (D) inclusive above;

- (c) **third**, if none of the Debtors is under any further actual or contingent liability under any Senior Finance Document, in payment to any person the Security Agent is obliged to pay in priority to any Debtor; and
- (d) **fourth**, in payment or distribution to the relevant Debtors.

In the event that, as a result of any insolvency proceeding commenced in respect of any Debtor pursuant to article 92.5 of the Spanish Insolvency Law (or any equivalent in respect of a Debtor incorporated in a jurisdiction other than Spain) the credit rights of any Senior Creditor are declared to be subordinated, the Senior Creditors agree that, as between them, the Senior Creditors so subordinated shall not be entitled to receive from any other Senior Creditors any amounts it would otherwise have been entitled to receive under this Agreement pursuant to this clause 13 (*Application of Proceeds*).

### 13.2 Prospective liabilities

To the extent permitted by applicable law, following a Distress Event the Security Agent may, in its discretion:

- (a) hold any amount (but in aggregate not exceeding the Expected Amount (as defined below)) of the Recoveries which is in the form of cash, and any cash which is generated by holding, managing, exploiting, collecting, realising or disposing of any Non-Cash Consideration, in one or more interest bearing suspense or impersonal accounts in the name of the Security Agent with such financial institution (including itself) as the Security Agent shall think fit (the interest being credited to the relevant account); and
- (b) hold, manage, exploit, collect and realise any amount of the Recoveries which is in the form of Non-Cash Consideration,

in each case for so long as the Security Agent shall think fit for later application under Clause 13.1 (*Order of application*) in respect of:

- (i) any sum to the Security Agent, any Receiver or any Delegate; and

- (ii) any part of the Liabilities,

that the Security Agent reasonably considers, in each case, might become due or owing at any time in the future (the "**Expected Amount**").

### 13.3 **Treatment of SFA Cash Cover and Senior Facility Lender Cash Collateral**

- (a) Nothing in this Agreement shall prevent any Issuing Bank or Ancillary Lender taking any Enforcement Action in respect of any SFA Cash Cover which has been provided for it in accordance with the Senior Facility Agreement.
- (b) To the extent that any SFA Cash Cover is not held with the Relevant Issuing Bank or Relevant Ancillary Lender, all amounts from time to time received or recovered in connection with the realisation or enforcement of that SFA Cash Cover shall be paid to the Security Agent and shall be held by the Security Agent on trust to apply them at any time as the Security Agent (in its discretion) sees fit, to the extent permitted by applicable law, in the following order of priority:
  - (i) to the Relevant Issuing Bank or Relevant Ancillary Lender towards the discharge of the Senior Facility Liabilities for which that SFA Cash Cover was provided; and
  - (ii) the balance, if any, in accordance with Clause 13.1 (*Order of application*).
- (c) To the extent that any SFA Cash Cover is held with the Relevant Issuing Bank or Relevant Ancillary Lender, nothing in this Agreement shall prevent that Relevant Issuing Bank or Relevant Ancillary Lender receiving and retaining any amount in respect of that SFA Cash Cover.
- (d) Nothing in this Agreement shall prevent any Issuing Bank receiving and retaining any amount in respect of any Senior Facility Lender Cash Collateral provided for it in accordance with the Senior Facility Agreement.

### 13.4 **Investment of Cash Proceeds**

To the extent permitted by applicable law, prior to the application of the proceeds of the Security Property in accordance with Clause 13.1 (*Order of application*) the Security Agent may, in its discretion, hold all or part of any Cash Proceeds (but not exceeding the amount of the Liabilities due or to become due) in one or more interest bearing suspense or impersonal accounts in the name of the Security Agent with such financial institution (including itself) and for so long as the Security Agent shall think fit (the interest being credited to the relevant account) pending the application from time to time of those monies in the Security Agent's discretion in accordance with the provisions of this Clause 13.

### 13.5 Currency conversion

- (a) For the purpose of, or pending the discharge of, any of the Secured Obligations the Security Agent may:
  - (i) convert any moneys received or recovered by the Security Agent (including, without limitation, any Cash Proceeds) from one currency to another, at the Security Agent's Spot Rate of Exchange; and
  - (ii) notionally convert the valuation provided in any opinion or valuation from one currency to another, at the Security Agent's Spot Rate of Exchange.
- (b) The obligations of any Debtor to pay in the due currency shall only be satisfied:
  - (i) in the case of paragraph (a)(i) above, to the extent of the amount of the due currency purchased after deducting the costs of conversion; and
  - (ii) in the case of paragraph (a)(ii) above, to the extent of the amount of the due currency which results from the notional conversion referred to in that paragraph.

### 13.6 Permitted Deductions

The Security Agent shall be entitled, in its discretion, (a) to set aside by way of reserve amounts required to meet and (b) to make and pay, any deductions and withholdings (on account of Taxes or otherwise) which it is or may be required by any law or regulation to make from any distribution or payment made by it under this Agreement, and to pay all Taxes which may be assessed against it in respect of any of the Charged Property, or as a consequence of performing its duties or exercising its rights, powers, authorities and discretions, or by virtue of its capacity as Security Agent under any of the Debt Documents or otherwise (other than in connection with its remuneration for performing its duties under this Agreement).

### 13.7 Good Discharge

- (a) Any distribution or payment to be made in respect of the Secured Obligations by the Security Agent:
  - (i) may be made to the relevant Creditor Representative on behalf of its Senior Creditors (if applicable); and
  - (ii) may be made to the Relevant Issuing Bank or Relevant Ancillary Lender in accordance with paragraph (b)(i) of Clause 13.3 (*Treatment of Treatment of SFA Cash Cover and Senior Facility Lender Cash Collateral*); and
  - (iii) shall be made directly to the Bilateral Facility Lenders.

- (b) Any distribution or payment made as described in paragraph(a) above shall be a good discharge, to the extent of that payment or distribution, by the Security Agent:
  - (i) in the case of a payment made in cash, to the extent of that payment; and
  - (ii) in the case of a distribution of Non-Cash Recoveries, as determined by Clause 11.2 (*Cash value of Non-Cash Recoveries*).
- (c) The Security Agent is under no obligation to make the payments to the Creditor Representatives under paragraph (a) above in the same currency as that in which the Liabilities owing to the relevant Senior Creditor are denominated pursuant to the relevant Debt Document.

### 13.8 Calculation of Amounts

For the purpose of calculating any person's share of any amount payable to or by it, the Security Agent shall be entitled to:

- (a) notionally convert the Liabilities owed to any person into a common base currency (decided in its discretion by the Security Agent), that notional conversion to be made at the spot rate at which the Security Agent is able to purchase the notional base currency with the actual currency of the Liabilities owed to that person at the time at which that calculation is to be made; and
- (b) assume that all amounts received or recovered as a result of the enforcement or realisation of the Security Property are applied in discharge of the Liabilities in accordance with the terms of the Debt Documents under which those Liabilities have arisen.

## 14. NEW MONEY AND REFINANCING

### 14.1 Incurrence of additional indebtedness

- (a) It is hereby agreed that any Additional Senior Financing Liabilities may benefit from the Transaction Security **provided that** on the date on which such Additional Senior Financing Liabilities are to be incurred (or designated as such), the aggregate principal amount of indebtedness secured by the Transaction Security is not prohibited under any Senior Financing Document.
- (b) Without prejudice to paragraph (a) above if:
  - (i) the Company or any Debtor is to incur any Additional Senior Financing Liabilities; or
  - (ii) the Company wishes to designate any indebtedness incurred by it or any Group Company as an Additional Senior Financing,

the Company shall serve on the Security Agent a duly completed notice (a "**Further Secured Notice**") substantially in the form set out in Schedule 4 (*Form of Further Secured Notice*) (or any other form agreed between the

Company and the Security Agent, each acting reasonably). The Security Agent shall send a copy of such notice to each Creditor Representative, and each Bilateral Facility Lender. Upon delivery of a Further Secured Notice to the Security Agent in the required form the Company and the Security Agent shall enter into Additional Senior Financing Security Documents in favour of the Security Agent for and on behalf of or in favour of the relevant Additional Senior Financing Creditors.

#### 14.2 Additional Senior Liabilities

- (a) If:
  - (i) any Senior Facility Lenders increase, add, supplement, amend, novate, extend or restate a facility under the Senior Facility Agreement or convert any uncommitted facility under the Senior Facility Agreement into a committed facility or make further advances to the extent permitted under the Senior Facility Agreement ("**Additional Senior Facility Liabilities**"), such Additional Senior Facility Liabilities will be deemed to be made under the terms of the Senior Facility Agreement and (to the extent permitted by applicable law) secured by the Senior Facility and Senior Secured Notes Security Documents; or
  - (ii) any additional Senior Secured Notes are issued ("**Additional Senior Secured Notes Liabilities**"), such additional Senior Secured Notes will (to the extent permitted by applicable law) be secured by the Senior Facility and Senior Secured Notes Security Documents.
- (b) To the extent Additional Senior Facility Liabilities or Additional Senior Secured Notes Liabilities (together "**Additional Senior Liabilities**") incurred as contemplated in paragraph (a) above cannot be secured *pari passu* with the then existing Senior Facility Liabilities and Senior Secured Notes Liabilities under the Senior Facility and Senior Secured Notes Security Documents, such Additional Senior Liabilities may (to the extent permitted by applicable law), and shall in the case of any Additional Senior Secured Notes Liabilities, be secured pursuant to the execution of additional Transaction Security Documents granting Security over the Secured Shares on a lesser ranking basis, but will nevertheless continue, for the purpose of this Agreement, to be considered as having being secured *pari passu* with the then existing Senior Facility Liabilities and Senior Secured Notes Liabilities.
- (c) If any Bilateral Facility Lender increases, adds, supplements, amends, novates, extends or restates a facility under a Bilateral Facility Agreement or makes further advances to the extent permitted under the Bilateral Facility Agreement ("**Further Bilateral Liabilities**"), such Further Bilateral Liabilities will be deemed to be made under the terms of the relevant Bilateral Facility Agreement and (to the extent permitted by applicable law) secured by the Security Documents.
- (d) To the extent Further Bilateral Liabilities incurred as contemplated in paragraph (a) above cannot be secured *pari passu* with the then existing Bilateral Facility Liabilities under the Bilateral Facility Security Documents,

such Further Bilateral Liabilities may (to the extent permitted by applicable law) be secured pursuant to the execution of additional Transaction Security Documents granting Security over the Secured Shares on a lesser ranking basis, but will nevertheless continue, for the purpose of this Agreement, to be considered as having being secured *pari passu* with the then existing Bilateral Facility Liabilities.

- (e) For the avoidance of doubt, any Additional Senior Liabilities incurred as contemplated in paragraph (a) above and any Further Bilateral Liabilities incurred as contemplated in paragraph (c) above shall not be deemed to create any separate class of Creditors for the purposes of this Agreement and the Creditors of such Additional Senior Liabilities or Further Bilateral Liabilities shall be treated for voting and all other purposes under this Agreement as Senior Creditors.
- (f) Nothing in this Agreement shall restrict the Senior Creditors and the providers of Additional Senior Liabilities or Further Bilateral Liabilities from agreeing the ranking of their respective claims among themselves **provided that** unless otherwise agreed such Additional Senior Liabilities and Further Bilateral Liabilities shall rank *pari passu* with the other Senior Liabilities.

#### 14.3 Refinancing of the Senior Liabilities

- (a) Any of the Senior Facility Liabilities, the Senior Secured Notes Liabilities, the Bilateral Facility Liabilities and the Additional Senior Financing Liabilities may be refinanced or replaced (a "**Senior Refinancing**") in whole or (if expressly permitted or not prohibited under the Senior Finance Documents) in part and any *pari passu* ranking indebtedness incurred by Debtors in respect of such Senior Refinancing will be subject to, and have the benefit of, this Agreement.
- (b) No Senior Refinancing shall benefit from any Security other than Transaction Security or from any guarantee, indemnity or other assurance against loss from any member of the Group other than, to the extent legally possible, any Common Assurance.
- (c) The trustee or agent of a Senior Refinancing (if not already a Party) shall execute and deliver a Creditor/Creditor Representative Accession Undertaking before or concurrently with that Senior Refinancing being implemented.
- (d) The Parties acknowledge that the terms and conditions (including increased pricing and amount of principal) applicable to any such Senior Refinancing may be different to those applicable to the Senior Liabilities being refinanced, but, unless otherwise consented to by the relevant Senior Creditors, shall be required not to breach the terms of the other Senior Finance Documents.
- (e) Nothing in this Agreement shall restrict the Senior Creditors and the creditors in respect of any Senior Refinancing after consultation with the Company from agreeing the ranking of their respective claims among themselves **provided that** unless otherwise agreed the claims of the creditors against the Debtors in respect of any Senior Refinancing shall rank *pari passu* with the

claims of the other Senior Creditors against the Debtors.

- (f) Each Senior Creditor and the Company undertakes at the prior written request of the Security Agent (such request to be made by the Security Agent promptly upon receiving notice from the Company of any relevant Senior Financing and its compliance with the terms of this Clause 14.3) to promptly give such instructions to the Security Agent as may be reasonably necessary and promptly enter into any Intercreditor Amendment and to enter into further Security over the Secured Shares to provide substantially the same rights and remedies to the providers of such Senior Refinancing as those provided to the Senior Creditors in this Agreement, in each case, at the cost of the Company. A Creditor Representative, Bilateral Facility Lender or the Security Agent will only be required to execute any Intercreditor Amendment if it has received such legal opinions (as to capacity and authority of the Debtors and the legal, valid, binding and enforceable nature of the Intercreditor Amendment as against the Debtors and non-conflict) as the Creditor Representative, Bilateral Facility Lender or Security Agent may reasonably request and in a form satisfactory to them (acting reasonably) in connection with the execution of such Intercreditor Amendment and shall be under no obligation to execute such Intercreditor Amendment if it would impose personal liabilities or obligations in addition to those contemplated by this Agreement on, or adversely affect the rights, duties or immunities of, that Creditor Representative, Bilateral Facility Lender or Security Agent beyond what is contemplated by this Agreement.
- (g) In the event of a Senior Refinancing, references in this Agreement to provisions and clauses of the Senior Facility Agreement, any Additional Senior Financing Agreement, any Bilateral Facility Agreement or the Senior Secured Notes Indenture (as the case may be) shall be construed as or in the case of a refinancing in part supplemented by references to equivalent provisions and clauses of the corresponding new facility or facilities agreement, indenture, trust deed, supplemental deed or other equivalent document documenting such Senior Refinancing.



## **SECTION 6 THE PARTIES**

### **15. THE SECURITY AGENT**

#### **15.1 Security Agent as trustee**

- (a) Each Secured Party appoints the Security Agent to act as its agent and to the extent permitted by applicable law, trustee under and in connection with the Debt Documents.
- (b) The Security Agent declares that it holds the Security Property on trust for or for the benefit of the Secured Parties on the terms contained in this Agreement.
- (c) Each of the Senior Creditors authorises the Security Agent to perform the duties, obligations and responsibilities and to exercise the rights, powers, authorities and discretions specifically given to the Security Agent under or in connection with the Debt Documents together with any other incidental rights, powers, authorities and discretions.

#### **15.2 Instructions**

- (a) The Security Agent shall:
  - (i) subject to paragraphs (d) and (e) below, exercise or refrain from exercising any right, power, authority or discretion vested in it as Security Agent in accordance with any instructions given to it by the Instructing Group; and
  - (ii) not be liable for any act (or omission) if it acts (or refrains from acting) in accordance with paragraph (i) above (or, if this Agreement stipulates the matter is a decision for any other Senior Creditor or group of Senior Creditors, in accordance with instructions given to it by that Senior Creditor or group of Senior Creditors).
- (b) The Security Agent shall be entitled to request instructions, or clarification of any instruction, from the Instructing Group (or, if this Agreement stipulates the matter is a decision for any other Senior Creditor or group of Senior Creditors, from that Senior Creditor or group of Senior Creditors) as to whether, and in what manner, it should exercise or refrain from exercising any right, power, authority or discretion and the Security Agent may refrain from acting unless and until it receives those instructions or that clarification.
- (c) Save in the case of decisions stipulated to be a matter for any other Senior Creditor or group of Senior Creditors under this Agreement and unless a contrary intention appears in this Agreement, any instructions given to the Security Agent by the Instructing Group shall override any conflicting instructions given by any other Parties and will be binding on all Secured Parties.

- (d) Paragraph (a) above shall not apply:
- (i) where a contrary indication appears in this Agreement;
  - (ii) where this Agreement requires the Security Agent to act in a specified manner or to take a specified action;
  - (iii) in respect of any provision which protects the Security Agent's own position in its personal capacity as opposed to its role of Security Agent for the Secured Parties including, without limitation, Clause 15.5 (*No duty to account*) to Clause 15.10 (*Exclusion of liability*), Clause 15.13 (*Confidentiality*) to Clause 15.19 (*Custodians and nominees*) and Clause 15.22 (*Acceptance of title*) to Clause 15.25 (*Disapplication of Trustee Acts*); and
  - (iv) in respect of the exercise of the Security Agent's discretion to exercise a right, power or authority under any of:
    - (A) Clause 13.1 (*Order of application*);
    - (B) Clause 13.2 (*Prospective liabilities*);
    - (C) Clause 13.3 (*Treatment of SFA Cash Cover and Senior Facility Lender Cash Collateral*); and
    - (D) Clause 13.6 (*Permitted Deductions*).
- (e) If giving effect to instructions given by the Instructing Group would (in the Security Agent's opinion) have an effect equivalent to an Intercreditor Amendment, the Security Agent shall not act in accordance with those instructions unless consent to it so acting is obtained from each Party (other than the Security Agent) whose consent would have been required in respect of that Intercreditor Amendment.
- (f) In exercising any discretion to exercise a right, power or authority under the Debt Documents where either:
- (i) it has not received any instructions as to the exercise of that discretion; or
  - (ii) the exercise of that discretion is subject to paragraph (d)(iv) above,
- the Security Agent shall do so having regard to the interests of all the Secured Parties.
- (g) The Security Agent may refrain from acting in accordance with any instructions of any Senior Creditor or group of Senior Creditors until it has received any indemnification and/or security that it may in its discretion require (which may be greater in extent than that contained in the Debt Documents and which may include payment in advance) for any cost, loss or liability (together with any applicable VAT) which it may incur in complying with those instructions.

- (h) Without prejudice to the provisions of Clause 9 (*Enforcement of Transaction Security*) and the remainder of this Clause 15.2, in the absence of instructions, the Security Agent may act (or refrain from acting) as it considers in its discretion to be appropriate.

### **15.3 Duties of the Security Agent**

- (a) The Security Agent's duties under the Debt Documents are solely mechanical and administrative in nature.
- (b) The Security Agent shall promptly:
  - (i) forward to each Creditor Representative and each Bilateral Facility Lender a copy of any document received by the Security Agent from any Debtor under any Debt Document; and
  - (ii) forward to a Party the original or a copy of any document which is delivered to the Security Agent for that Party by any other Party.
- (c) Except where a Debt Document specifically provides otherwise, the Security Agent is not obliged to review or check the adequacy, accuracy or completeness of any document it forwards to another Party.
- (d) Without prejudice to Clause 20.3 (*Notification of prescribed events*), if the Security Agent receives notice from a Party referring to any Debt Document, describing a Default and stating that the circumstance described is a Default, it shall promptly notify the Senior Creditors.
- (e) To the extent that a Party (other than the Security Agent) is required to calculate a Common Currency Amount, the Security Agent shall upon a request by that Party, promptly notify that Party of the relevant Security Agent's Spot Rate of Exchange.
- (f) The Security Agent shall have only those duties, obligations and responsibilities expressly specified in the Debt Documents to which it is expressed to be a party (and no others shall be implied).

### **15.4 No fiduciary duties to Debtors, Equity Investors or Equity Investor Affiliates**

Nothing in this Agreement constitutes the Security Agent as an agent, trustee or fiduciary of any Debtor, Equity Investor or Equity Investor Affiliate.

### **15.5 No duty to account**

The Security Agent shall not be bound to account to any other Secured Party for any sum or the profit element of any sum received by it for its own account.

### **15.6 Business with the Group**

The Security Agent may accept deposits from, lend money to and generally engage in any kind of banking or other business with any Group Company.

## 15.7 Rights and discretions

- (a) The Security Agent may:
  - (i) rely on any representation, communication, notice or document believed by it to be genuine, correct and appropriately authorised;
  - (ii) assume that:
    - (A) any instructions received by it from the Instructing Group, the Majority Senior Creditors, any Senior Creditors or any group of Senior Creditors are duly given in accordance with the terms of the Debt Documents;
    - (B) unless it has received notice of revocation, that those instructions have not been revoked; and
    - (C) if it receives any instructions to act in relation to the Transaction Security, that all applicable conditions under the Debt Documents for so acting have been satisfied; and
  - (iii) rely on a certificate from any person:
    - (A) as to any matter of fact or circumstance which might reasonably be expected to be within the knowledge of that person; or
    - (B) to the effect that such person approves of any particular dealing, transaction, step, action or thing,

as sufficient evidence that that is the case and, in the case of paragraph (iii)(A) above, may assume the truth and accuracy of that certificate.
- (b) The Security Agent may assume (unless it has received notice to the contrary in its capacity as Security Agent for the Secured Parties) that:
  - (i) no Default has occurred;
  - (ii) any right, power, authority or discretion vested in any Party, any Creditor or any group of Senior Creditors has not been exercised; and
  - (iii) any notice made by the Company is made on behalf of and with the consent and knowledge of all the Debtors.
- (c) The Security Agent may engage and pay for the advice or services of any lawyers, accountants, tax advisers, surveyors or other professional advisers or experts.
- (d) Without prejudice to the generality of paragraph (c) above or paragraph (e) below, the Security Agent may at any time engage and pay for the services of any lawyers to act as independent counsel to the Security Agent (and so

separate from any lawyers instructed by any Senior Creditor) if the Security Agent in its reasonable opinion deems this to be desirable.

- (e) The Security Agent may rely on the advice or services of any lawyers, accountants, tax advisers, surveyors or other professional advisers or experts (whether obtained by the Security Agent or by any other Party) and shall not be liable for any damages, costs or losses to any person, any diminution in value or any liability whatsoever arising as a result of its so relying.
- (f) The Security Agent, any Receiver and any Delegate may act in relation to the Debt Documents and the Security Property through its officers, employees and agents and shall not:
  - (i) be liable for any error of judgment made by any such person; or
  - (ii) be bound to supervise, or be in any way responsible for any loss incurred by reason of misconduct, omission or default on the part of any such person,

unless such error or such loss was directly caused by the Security Agent's, Receiver's or Delegate's gross negligence or wilful misconduct.

- (g) Unless this Agreement expressly specifies otherwise, the Security Agent may disclose to any other Party any information it reasonably believes it has received as Security Agent under this Agreement.
- (h) Notwithstanding any other provision of any Debt Document to the contrary, the Security Agent is not obliged to do or omit to do anything if it would, or might in its reasonable opinion, constitute a breach of any law or regulation or a breach of any fiduciary duty or duty of confidentiality.
- (i) Notwithstanding any provision of any Debt Document to the contrary, the Security Agent is not obliged to expend or risk its own funds or otherwise incur any financial liability in the performance of its duties, obligations or responsibilities or the exercise of any right, power, authority or discretion if it has grounds for believing the repayment of such funds or adequate indemnity against, or security for, such risk or liability is not reasonably assured to it.

#### **15.8 Responsibility for documentation**

None of the Security Agent, any Receiver nor any Delegate is responsible or liable for:

- (a) the adequacy, accuracy or completeness of any information (whether oral or written) supplied by the Security Agent, a Debtor or any other person in or in connection with any Debt Document or the transactions contemplated in the Debt Documents or any other agreement, arrangement or document entered into, made or executed in anticipation of, under or in connection with any Debt Document;
- (b) the legality, validity, effectiveness, adequacy or enforceability of any Debt Document, the Security Property or any other agreement, arrangement or

document entered into, made or executed in anticipation of, under or in connection with any Debt Document or the Security Property; or

- (c) any determination as to whether any information provided or to be provided to any Secured Party is non-public information the use of which may be regulated or prohibited by applicable law or regulation relating to insider dealing or otherwise.

#### **15.9 No duty to monitor**

The Security Agent shall not be bound to enquire:

- (a) whether or not any Default has occurred;
- (b) as to the performance, default or any breach by any Party of its obligations under any Debt Document; or
- (c) whether any other event specified in any Debt Document has occurred.

#### **15.10 Exclusion of liability**

- (a) Without limiting paragraph (b) below (and without prejudice to any other provision of any Debt Document excluding or limiting the liability of the Security Agent, any Receiver or Delegate), none of the Security Agent, any Receiver nor any Delegate will be liable for:
  - (i) any damages, costs or losses to any person, any diminution in value or any liability whatsoever arising as a result of taking or not taking any action under or in connection with any Debt Document or the Security Property unless directly caused by its gross negligence or wilful misconduct;
  - (ii) exercising or not exercising any right, power, authority or discretion given to it by or in connection with any Debt Document, the Security Property or any other agreement, arrangement or document entered into, made or executed in anticipation of, under or in connection with, any Debt Document or the Security Property;
  - (iii) any shortfall which arises on the enforcement or realisation of the Security Property; or
  - (iv) without prejudice to the generality of paragraphs (i) to (iii) above, any damages, costs, losses, any diminution in value or any liability whatsoever arising as a result of:
    - (A) any act, event or circumstance not reasonably within its control; or
    - (B) the general risks of investment in, or the holding of assets in, any jurisdiction,

including (in each case and without limitation) such damages, costs, losses, diminution in value or liability arising as a result of: nationalisation, expropriation or other governmental actions; any regulation, currency restriction, devaluation or fluctuation; market conditions affecting the execution or settlement of transactions or the value of assets; breakdown, failure or malfunction of any third party transport, telecommunications, computer services or systems; natural disasters or acts of God; war, terrorism, insurrection or revolution; or strikes or industrial action.

- (b) No Party (other than the Security Agent, that Receiver or that Delegate (as applicable)) may take any proceedings against any officer, employee or agent of the Security Agent, a Receiver or a Delegate in respect of any claim it might have against the Security Agent, a Receiver or a Delegate or in respect of any act or omission of any kind by that officer, employee or agent in relation to any Debt Document or any Security Property and any officer, employee or agent of the Security Agent, a Receiver or a Delegate may rely on this Clause subject to Clause 1.3 (*Third party rights*) and the provisions of the Third Parties Rights Act.
- (c) Nothing in this Agreement shall oblige the Security Agent to carry out:
  - (i) any "know your customer" or other checks in relation to any person; or
  - (ii) any check on the extent to which any transaction contemplated by this Agreement might be unlawful for any Senior Creditor,

on behalf of any Senior Creditor and each Senior Creditor confirms to the Security Agent that it is solely responsible for any such checks it is required to carry out and that it may not rely on any statement in relation to such checks made by the Security Agent.

- (d) Without prejudice to any provision of any Debt Document excluding or limiting the liability of the Security Agent, any Receiver or Delegate, any liability of the Security Agent, any Receiver or Delegate arising under or in connection with any Debt Document or the Security Property shall be limited to the amount of actual loss which has been finally judicially determined to have been suffered (as determined by reference to the date of default of the Security Agent, Receiver or Delegate (as the case may be) or, if later, the date on which the loss arises as a result of such default) but without reference to any special conditions or circumstances known to the Security Agent, Receiver or Delegate (as the case may be) at any time which increase the amount of that loss. In no event shall the Security Agent, any Receiver or Delegate be liable for any loss of profits, goodwill, reputation, business opportunity or anticipated saving, or for special, punitive, indirect or consequential damages, whether or not the Security Agent, Receiver or Delegate (as the case may be) has been advised of the possibility of such loss or damages.

### **15.11 Senior Creditors' indemnity to the Security Agent**

- (a) Subject to Clause 16.14 (*Security Agent and Senior Secured Notes Trustee*), each Senior Creditor shall (in the proportion that the Liabilities due to it bear to the aggregate of the Liabilities due to all the Senior Creditors for the time being (or, if the Liabilities due to the Senior Creditors are zero, immediately prior to their being reduced to zero)), indemnify the Security Agent and every Receiver and every Delegate, within three Business Days of demand, against any cost, loss or liability incurred by any of them (otherwise than by reason of the relevant Security Agent's, Receiver's or Delegate's gross negligence or wilful misconduct or wilful default) in acting as Security Agent, Receiver or Delegate under, or exercising any authority conferred under, the Debt Documents (unless the relevant Security Agent, Receiver or Delegate has been reimbursed by a Debtor pursuant to a Debt Document).
- (b) Subject to paragraph (c) below, the Company shall immediately on demand reimburse any Senior Creditor for any payment that Senior Creditor makes to the Security Agent pursuant to paragraph (a) above.
- (c) Paragraph (b) above shall not apply to the extent that the indemnity payment in respect of which the Senior Creditor claims reimbursement relates to a liability of the Security Agent to a Debtor.

### **15.12 Resignation of the Security Agent**

- (a) The Security Agent may resign and appoint one of its Affiliates as successor by giving notice to the Senior Creditors and the Company.
- (b) Alternatively the Security Agent may resign by giving 30 days' notice to the Senior Creditors and the Company, in which case the Instructing Group (after consultation with the Company) may appoint a successor Security Agent.
- (c) If the Instructing Group have not appointed a successor Security Agent in accordance with paragraph (b) above within 20 days after notice of resignation was given, the retiring Security Agent (after consultation with each Creditor Representative and each Bilateral Facility Lender and the Company) may appoint a successor Security Agent.
- (d) The retiring Security Agent shall, at its own cost, make available to the successor Security Agent such documents and records and enter into and deliver such documents and effect such registrations and provide such assistance as the successor Security Agent may reasonably request for the purposes of performing its functions as Security Agent under the Debt Documents and transferring its role as Security Agent and its interest in the Transaction Security to that successor including by delegating in a notarial document, where necessary, the powers of attorney that had been granted in a Spanish Public Document to it by the Company or a Debtor as Security Agent in accordance with Clause 15.20 (*Delegation by the Security Agent*).



- (e) The Security Agent's resignation notice shall only take effect upon:
  - (i) the appointment of a successor; and
  - (ii) the transfer of all the Security Property to that successor.
- (f) Upon the appointment of a successor, the retiring Security Agent shall be discharged from any further obligation in respect of the Debt Documents (other than its obligations under paragraph (ii) of Clause 15.23 (*Winding up of trust*) and paragraph (d) above) but shall remain entitled to the benefit of this Clause 15 and Clause 19.1 (*Indemnity to the Security Agent*) (and any Security Agent fees for the account of the retiring Security Agent shall cease to accrue from (and shall be payable on) that date). Any successor and each of the other Parties shall have the same rights and obligations amongst themselves as they would have had if that successor had been an original Party.
- (g) The Instructing Group may (after consultation with the Company), by notice to the Security Agent, require it to resign in accordance with paragraph (b) above. In this event, the Security Agent shall resign in accordance with paragraph (b) above.

#### **15.13 Confidentiality**

- (a) In acting as agent or trustee for the Secured Parties, the Security Agent shall be regarded as acting through its agency or trustee division which shall be treated as a separate entity from any of its other divisions or departments.
- (b) If information is received by another division or department of the Security Agent, it may be treated as confidential to that division or department and the Security Agent shall not be deemed to have notice of it.
- (c) Notwithstanding any other provision of any Debt Document to the contrary, the Security Agent is not obliged to disclose to any other person (i) any confidential information or (ii) any other information if the disclosure would, or might in its reasonable opinion, constitute a breach of any law or regulation or a breach of any fiduciary duty.

#### **15.14 Information from the Creditors**

Each Creditor shall supply the Security Agent with any information that the Security Agent may reasonably specify as being necessary or desirable to enable the Security Agent to perform its functions as Security Agent.

#### **15.15 Credit appraisal by the Secured Parties**

Without affecting the responsibility of any Debtor for information supplied by it or on its behalf in connection with any Debt Document, each Secured Party confirms to the Security Agent that it has been, and will continue to be, solely responsible for making its own independent appraisal and investigation of all risks arising under or in connection with any Debt Document including but not limited to:

- (a) the financial condition, status and nature of each Group Company;

- (b) the legality, validity, effectiveness, adequacy or enforceability of any Debt Document, the Security Property and any other agreement, arrangement or document entered into, made or executed in anticipation of, under or in connection with any Debt Document or the Security Property;
- (c) whether that Secured Party has recourse, and the nature and extent of that recourse, against any Party or any of its respective assets under or in connection with any Debt Document, the Security Property, the transactions contemplated by the Debt Documents or any other agreement, arrangement or document entered into, made or executed in anticipation of, under or in connection with any Debt Document or the Security Property;
- (d) the adequacy, accuracy or completeness of any information provided by the Security Agent, any Party or by any other person under or in connection with any Debt Document, the transactions contemplated by any Debt Document or any other agreement, arrangement or document entered into, made or executed in anticipation of, under or in connection with any Debt Document; and
- (e) the right or title of any person in or to, or the value or sufficiency of any part of the Charged Property, the priority of any of the Transaction Security or the existence of any Security affecting the Charged Property.

#### **15.16 Reliance and engagement letters**

The Security Agent may obtain and rely on any certificate or report from the Company's auditor and may enter into any reliance letter or engagement letter relating to that certificate or report on such terms as it may consider appropriate (including, without limitation, restrictions on the auditor's liability and the extent to which that certificate or report may be relied on or disclosed).

#### **15.17 No responsibility to perfect Transaction Security**

The Security Agent shall not be liable for any failure to:

- (a) require the deposit with it of any deed or document certifying, representing or constituting the title of any Debtor to any of the Charged Property;
- (b) obtain any licence, consent or other authority for the execution, delivery, legality, validity, enforceability or admissibility in evidence of any Debt Document or the Transaction Security;
- (c) register, file or record or otherwise protect any of the Transaction Security (or the priority of any of the Transaction Security) under any law or regulation or to give notice to any person of the execution of any Debt Document or of the Transaction Security;
- (d) take, or to require any Debtor to take, any step to perfect its title to any of the Charged Property or to render the Transaction Security effective or to secure the creation of any ancillary Security under any law or regulation; or
- (e) require any further assurance in relation to any Security Document.

#### **15.18 Insurance by Security Agent**

- (a) The Security Agent shall not be obliged:
  - (i) to insure any of the Charged Property;
  - (ii) to require any other person to maintain any insurance; or
  - (iii) to verify any obligation to arrange or maintain insurance contained in any Debt Document,

and the Security Agent shall not be liable for any damages, costs or losses to any person as a result of the lack of, or inadequacy of, any such insurance.

- (b) Where the Security Agent is named on any insurance policy as an insured party, it shall not be liable for any damages, costs or losses to any person as a result of its failure to notify the insurers of any material fact relating to the risk assumed by such insurers or any other information of any kind, unless the Instructing Group request it to do so in writing and the Security Agent fails to do so within fourteen days after receipt of that request.

#### **15.19 Custodians and nominees**

The Security Agent may appoint and pay any person to act as a custodian or nominee on any terms in relation to any asset to which this Agreement refers or relates as the Security Agent may determine, including for the purpose of depositing with a custodian this Agreement or any document relating to this Agreement and the rights and obligations arising from it and the Security Agent shall not be responsible for any loss, liability, expense, demand, cost, claim or proceedings incurred by reason of the misconduct, omission or default on the part of any person appointed by it under this Agreement or be bound to supervise the proceedings or acts of any person.

#### **15.20 Delegation by the Security Agent**

- (a) Each of the Security Agent, any Receiver and any Delegate may, at any time, delegate by power of attorney or otherwise to any person for any period, all or any right, power, authority or discretion vested in it in its capacity as such.
- (b) That delegation may be made upon any terms and conditions (including the power to sub-delegate) and subject to any restrictions that the Security Agent, that Receiver or that Delegate (as the case may be) may, in its discretion, think fit in the interests of the Secured Parties.
- (c) No Security Agent, Receiver or Delegate shall be bound to supervise, or be in any way responsible for any damages, costs or losses incurred by reason of any misconduct, omission or default on the part of, any such delegate or sub-delegate.

### **15.21 Additional Security Agents**

- (a) The Security Agent may at any time appoint (and subsequently remove) any person to act as a separate agent or as a co-agent jointly with it:
  - (i) if it considers that appointment to be in the interests of the Secured Parties;
  - (ii) for the purposes of conforming to any legal requirement, restriction or condition which the Security Agent deems to be relevant; or
  - (iii) for obtaining or enforcing any judgment in any jurisdiction,and the Security Agent shall give prior notice to the Company and the Senior Creditors of that appointment.
- (b) Any person so appointed shall have the rights, powers, authorities and discretions (not exceeding those given to the Security Agent under or in connection with the Debt Documents) and the duties, obligations and responsibilities that are given or imposed by the instrument of appointment.
- (c) The remuneration that the Security Agent may pay to that person, and any costs and expenses (together with any applicable VAT) incurred by that person in performing its functions pursuant to that appointment shall, for the purposes of this Agreement, be treated as costs and expenses incurred by the Security Agent.

### **15.22 Acceptance of title**

The Security Agent shall be entitled to accept without enquiry, and shall not be obliged to investigate, any right and title that any Debtor may have to any of the Charged Property and shall not be liable for, or bound to require any Debtor to remedy, any defect in its right or title.

### **15.23 Release without recourse**

- (a) If the Security Agent, with the approval of each Creditor Representative and each Bilateral Facility Lender, determines that:
  - (i) all of the Secured Obligations and all other obligations secured by the Security Documents have been fully and finally discharged; and
  - (ii) no Secured Party is under any commitment, obligation or liability (actual or contingent) to make advances or provide other financial accommodation to any Debtor pursuant to the Debt Documents,then:
  - (A) the Security Agent shall release, without recourse or warranty, all of the Transaction Security and the rights of the Security Agent under each of the Security Documents; and

- (B) any Security Agent which has resigned pursuant to Clause 15.12 (*Resignation of the Security Agent*) shall release, without recourse or warranty, all of its rights under each Security Document.
- (b) The Security Agent shall (and is irrevocably authorised by each Creditor and each Debtor to) promptly on request by the Company release and discharge (without recourse or warranty) the Security constituted or evidenced by the Transaction Security Documents:
  - (i) securing the Liabilities under the Senior Facility and Senior Secured Notes Security Documents on the later to occur of the Senior Facility Discharge Date and either the Senior Secured Notes Discharge Date or covenant defeasance which has defeated the requirement to maintain the Transaction Security for the Senior Secured Notes;
  - (ii) securing the Liabilities under any Bilateral Facility Security Document on the occurrence of the last Bilateral Facility Discharge Date in respect of the Bilateral Facilities secured by such Transaction Security Document; and
  - (iii) securing the Liabilities under any Additional Senior Financing Security Document:
    - (A) in respect of an Ancillary Facility, on the Senior Facility Discharge Date; and
    - (B) in respect of an Additional Senior Financing, on the occurrence of the last Additional Senior Financing Discharge Date in respect of the Additional Senior Financings secured by such Transaction Security Document.

#### **15.24 Powers supplemental to Trustee Acts**

To the extent that any trusts are created under this Agreement, the rights, powers, authorities and discretions given to the Security Agent under or in connection with the Debt Documents shall be supplemental to the Trustee Act 1925 and the Trustee Act 2000 and in addition to any which may be vested in the Security Agent by law or regulation or otherwise.

#### **15.25 Disapplication of Trustee Acts**

Section 1 of the Trustee Act 2000 shall not apply to the duties of the Security Agent in relation to the trusts (if any) constituted by this Agreement. Where there are any inconsistencies between the Trustee Act 1925 or the Trustee Act 2000 and the provisions of this Agreement, the provisions of this Agreement shall, to the extent permitted by law and regulation, prevail and, in the case of any inconsistency with the Trustee Act 2000, the provisions of this Agreement shall constitute a restriction or exclusion for the purposes of that Act.

## **15.26 Intra-Group Lenders and Debtors: Power of Attorney**

Each Intra-Group Lender and Debtor by way of security for its obligations under this Agreement irrevocably appoints the Security Agent to be its attorney to do anything which that Intra-Group Lender or Debtor has authorised the Security Agent or any other Party to do on its behalf under this Agreement or is itself required to do under this Agreement but has failed to do within 5 Business Days of being notified in writing by the Security Agent of its failure to do such act (and the Security Agent may delegate that power on such terms as it sees fit).

## **15.27 Officers' Certificate**

Upon any request or application by a Group Company to the Security Agent to take or refrain from taking any action under this Agreement, the Company shall if requested by the Security Agent furnish to the Security Agent an officer's certificate in form and substance reasonably satisfactory to the Security Agent stating that, in the opinion of the signers (but without personal liability), all conditions precedent, if any, provided for in this Agreement and the relevant Debt Documents relating to the proposed action have been complied with.

## **16. SENIOR SECURED NOTES TRUSTEE**

### **16.1 Liability**

- (a) Each party to this Agreement acknowledges that any Senior Secured Notes Trustee which becomes a Party to this Agreement as the Senior Secured Notes Trustee pursuant to Clause 17.9 (*Creditor/Creditor Representative Accession Undertaking*) does so on the basis that the exercise of any of the rights and/or discretions of the Senior Secured Notes Trustee hereunder will be subject to the same protections and immunities (*mutatis mutandis*) as are conferred upon the Senior Secured Notes Trustee in the Senior Secured Notes Documents.
- (b) It is expressly understood and agreed by each Party that this Agreement is executed and delivered by the Senior Secured Notes Trustee not individually or personally but solely in its capacity as trustee in the exercise of the powers and authority conferred and vested in it under the Senior Secured Notes Documents for and on behalf of the Senior Secured Noteholders, and it shall have no liability for acting for itself or in any capacity other than as trustee and nothing in this Agreement shall impose on it any obligation to pay any amount out of its personal assets. Prior to taking any action under this Agreement the Senior Secured Notes Trustee may, among other things, request and rely upon an opinion of counsel or opinion of another qualified expert, at the expense of the Company.
- (c) Notwithstanding any other provision of this Agreement, the Senior Secured Notes Trustee's obligations hereunder (if any) to make any payment or repayment (however described) of any amount or to hold any amount on trust shall be only to make payment or repayment (however described) of such amount to or hold any such amount on trust to the extent that (i) it has actual knowledge that such obligation has arisen and (ii) it has received and has not distributed to the relevant recipient any such amount.

- (d) It is further understood by each Party that in no case shall the Senior Secured Notes Trustee be (i) responsible or accountable in damages or otherwise to any other Party for any loss, damage or claim incurred by reason of any act or omission performed or omitted by the Senior Secured Notes Trustee in good faith in accordance with this Agreement or any of the Debt Documents in a manner the Senior Secured Notes Trustee reasonably believed to be within the scope of the authority conferred on it by this Agreement or any of the Debt Documents or by law, or (ii) liable for or on account of any of the statements, representations, warranties, covenants or obligations stated to be those of any other Party, all such liability, if any, being expressly waived by the Parties and any person claiming by, through or under such Party; **provided that**, in the case of paragraphs (i) and (ii) above, the Senior Secured Notes Trustee (or any successor Senior Secured Notes Trustee) shall be liable under this Agreement for its own gross negligence or wilful misconduct. Notwithstanding any other provisions of this Agreement or any other Senior Secured Notes Document to which the Senior Secured Notes Trustee is a party, in no event shall the Senior Secured Notes Trustee be liable for special, indirect, punitive or consequential loss or damages of any kind whatsoever (including but not limited to loss of business, goodwill, opportunity or profits) whether or not foreseeable even if the Senior Secured Notes Trustee has been advised of the likelihood of such loss or damage and regardless of whether the claim for loss or damage is made in negligence, for breach of contract or otherwise.
- (e) It is also acknowledged that the Senior Secured Notes Trustee shall not have any responsibility for the actions of any individual Senior Secured Noteholder.

#### 16.2 **No Fiduciary Duty**

The Senior Secured Notes Trustee shall not be deemed to owe any fiduciary duty to any Senior Creditor (each a "**Third Party**" and collectively, the "**Third Parties**") (save in respect of such persons for whom it acts as trustee pursuant to the Senior Secured Notes Documents) and shall not be liable to any Third Party if it shall in good faith mistakenly pay over or distribute to any Third Party or to any other person cash, property or securities to which any other Third Party shall be entitled by virtue of this Agreement or otherwise save to the extent that the same results from its gross negligence or wilful misconduct. With respect to any Third Party, the Senior Secured Notes Trustee undertakes to perform or to observe only such of its covenants or obligations as are specifically set forth in the Debt Documents and this Agreement and no implied agreement, covenants or obligations with respect to the other Third Parties shall be read into this Agreement against the Senior Secured Notes Trustee.

#### 16.3 **No Action**

The Senior Secured Notes Trustee shall not have any obligation to take any action under this Agreement unless it is indemnified and/or secured to its satisfaction (whether by way of payment in advance or otherwise) in accordance with the terms of the Senior Secured Notes Documents **provided that** this shall not affect any obligation arising under this Agreement to turnover monies received by it. In no event shall the permissive right of the Senior Secured Notes Trustee to take the actions permitted by this Agreement be construed as an obligation or duty to do so.

#### 16.4 Other Parties Not Affected

This Clause 16 is intended to afford protection to the Senior Secured Notes Trustee only. No provision of this Clause 16 shall alter or change the rights and obligations as between the other Parties in respect of each other.

#### 16.5 Notices

- (a) The Senior Secured Notes Trustee shall at all times be entitled to and may rely on any notice, consent or certificate given or granted by the Security Agent or any other Creditor Representative pursuant to the terms of this Agreement without being under any obligation to enquire, verify or otherwise determine whether any such notice, consent or certificate has been given or granted by that Security Agent or any other Creditor Representative, and shall not be, in any circumstances, held liable for so relying.
- (b) In acting under and in accordance with this Agreement and without prejudice to its obligations under this Agreement, the Senior Secured Notes Trustee is entitled to seek instructions from the Senior Secured Noteholders, at any time, and where it so acts on the instructions of the requisite percentage of the Senior Secured Noteholders, the Senior Secured Notes Trustee shall not incur any liability to any person for so acting, other than in accordance with the Senior Secured Notes Documents.

#### 16.6 Trustee Liabilities and payments

Subject to Clause 13 (*Application of Proceeds*), no provision of this Agreement shall alter or otherwise affect the rights and obligations of any Debtor to make payments in respect of the Senior Secured Notes Trustee Amounts owed to the Senior Secured Notes Trustee as and when the same are due and payable and demand, receipt and retention by the Senior Secured Notes Trustee of the same or taking of any step or action by the Senior Secured Notes Trustee in respect of its rights under the Senior Secured Notes Documents to the same.

#### 16.7 Provisions survive Termination

The provisions of this Clause 16 shall survive the termination of this Agreement.

#### 16.8 Resignation

The Senior Secured Notes Trustee may resign or be removed in accordance with the terms of the Senior Secured Notes Documents **provided that** a replacement Senior Secured Notes Trustee agrees with the Parties to become the replacement Senior Secured Notes Trustee under this Agreement by the execution of a Creditor/Creditor Representative Accession Undertaking.

#### 16.9 Reliance and Information

- (a) The Senior Secured Notes Trustee may rely and shall be fully protected in acting or refraining from acting upon any notice or other document reasonably believed by it to be genuine and correct and to have been signed by, or with the authority of, the proper person. Each Creditor confirms that it has not



relied exclusively on any information provided to it by the Senior Secured Notes Trustee. The Senior Secured Notes Trustee is not obliged to check the adequacy, accuracy or completeness of any document it forwards to another Party.

- (b) In addition, the Senior Secured Notes Trustee is entitled to assume that:
- (i) any payment or other distribution made in respect of the Liabilities or Senior Secured Notes Liabilities, respectively, has been made in accordance with the provisions of this Agreement;
  - (ii) no event of default or termination event (however described) under any Senior Facility Finance Document, Additional Senior Financing Document, Bilateral Facility Finance Document or Senior Secured Notes Document has occurred; and
  - (iii) the Senior Discharge Date has not occurred,

unless it has actual notice to the contrary. The Senior Secured Notes Trustee is not obliged to monitor or enquire whether any event of default or termination event (however described) has occurred.

#### **16.10 Agents**

The Senior Secured Notes Trustee may act through its attorneys and agents and shall not be responsible for the misconduct or negligence of any attorney or agent.

#### **16.11 No Requirement for Bond or Surety**

The Senior Secured Notes Trustee shall not be required to give any bond or surety with respect to the performance of its duties or the exercise of its powers under this Agreement.

#### **16.12 Creditors and the Senior Secured Notes Trustee**

In acting pursuant to this Agreement and the relevant Senior Secured Notes Documents, the Senior Secured Notes Trustee is not required to have any regard to the interests of the Senior Creditors (other than the Senior Secured Noteholders).

#### **16.13 Departmentalisation**

In acting as Senior Secured Notes Trustee, the Senior Secured Notes Trustee shall be treated as acting through its agency division which shall be treated as a separate entity from its other divisions and departments. Any information received or acquired by the Senior Secured Notes Trustee which is received or acquired by some other division or department or otherwise than in its capacity as Senior Secured Notes Trustee may be treated as confidential by the Senior Secured Notes Trustee and will not be treated as information possessed by the Senior Secured Notes Trustee in its capacity as such.

#### **16.14 Security Agent and Senior Secured Notes Trustee**

- (a) The Senior Secured Notes Trustee shall not be responsible for appointing or monitoring the performance of the Security Agent or any other Party.
- (b) The Security Agent agrees and acknowledges that it shall have no claim against the Senior Secured Notes Trustee in respect of any fees, costs, expenses and liabilities due and payable to, or incurred by, the Security Agent, except to the extent resulting from the gross negligence or wilful misconduct of the Senior Secured Notes Trustee.

#### **16.15 Disclosure of information**

Each Debtor irrevocably authorises the Senior Secured Notes Trustee to disclose to the Security Agent any information that is received by the Senior Secured Notes Trustee in its capacity as Senior Secured Notes Trustee.

### **17. CHANGES TO THE PARTIES**

#### **17.1 Assignments and transfers**

No Party may:

- (a) assign any of its rights; or
- (b) transfer any of its rights and obligations,

in respect of any Debt Documents or the Liabilities except as permitted by this Clause 17.

#### **17.2 No change of Equity Investor or Equity Investor Affiliate**

Subject to Clause 5.8 (*No acquisition of Equity Investor Liabilities*), no Equity Investor or Equity Investor Affiliate may:

- (a) assign any of its rights; or
- (b) transfer any of its rights and obligations,

in respect of the Equity Investor Liabilities owed to it unless any such assignee or transferee has (if not already party to this Agreement as an Equity Investor or Equity Investor Affiliate) acceded to this Agreement as an Equity Investor or Equity Investor Affiliate, pursuant to Clause 17.9 (*Creditor/Creditor Representative Accession Undertaking*).

#### **17.3 Change of Senior Facility Lender, Additional Senior Financing Creditor or Bilateral Facility Lender**

A Senior Facility Lender, an Additional Senior Financing Creditor or a Bilateral Facility Lender may:

- (a) assign any of its rights; or

(b) transfer by novation any of its rights and obligations,

in respect of any Debt Documents or the Liabilities if:

- (i) that assignment or transfer is in accordance with the terms of the Senior Facility Agreement, Additional Senior Financing Agreement or Bilateral Facility Agreement (as applicable) to which it is a party; and
- (ii) any assignee or transferee has (if not already a Party as a Senior Facility Lender, an Additional Senior Financing Creditor or Bilateral Facility Lender (as the case may be)) acceded to this Agreement as a Senior Facility Lender or Additional Senior Financing Creditor or Bilateral Facility Lender (as the case may be), pursuant to Clause 17.9 (*Creditor/Creditor Representative Accession Undertaking*).

#### **17.4 Change of Senior Secured Notes Trustee**

The Senior Secured Notes Trustee may (in accordance with the terms of the relevant Senior Secured Notes Document and subject to any consent required under the relevant Senior Secured Notes Documents) transfer all of its rights or obligations in respect of the applicable Senior Secured Notes Documents to which it is a party if any transferee has acceded to:

- (a) this Agreement, pursuant to Clause 17.9 (*Creditor/Creditor Representative Accession Undertaking*); and
- (b) the applicable Senior Secured Notes Documents,

as a Senior Secured Notes Trustee.

#### **17.5 Change of Senior Facility Agent or Creditor Representative**

The Senior Facility Agent or a Creditor Representative in respect of an Additional Senior Financing Agreement may (in accordance with the terms of the Senior Facility Agreement or Additional Senior Financing Agreement and subject to any consent required therein) transfer all of its rights or obligations in respect of the Senior Facility Agreement or Additional Senior Financing Agreement to which it is a party if any transferee has (if not already a Party as that applicable Creditor Representative and a party to that Senior Facility Agreement or Additional Senior Financing Agreement as that applicable Creditor Representative) acceded to:

- (a) this Agreement, pursuant to Clause 17.9 (*Creditor/Creditor Representative Accession Undertaking*); and
- (b) the Senior Facility Agreement or Additional Senior Financing Agreement (as applicable),

as that applicable Creditor Representative.

#### **17.6 Change of Intra-Group Lender**

Subject to Clause 4.4 (*Acquisition of Intra-Group Liabilities*) and to the terms of the other Debt Documents, any Intra-Group Lender may:

- (a) assign any of its rights; or
- (b) transfer any of its rights and obligations,

in respect of the Intra-Group Liabilities to another Group Company if that Group Company has (if not already a Party as an Intra-Group Lender) acceded to this Agreement as an Intra-Group Lender, pursuant to Clause 17.9 (*Creditor/Creditor Representative Accession Undertaking*).

#### **17.7 New Intra-Group Lender**

If any Intra-Group Lender or any Group Company makes any loan to or grants any credit to or makes any other financial arrangement having similar effect in an amount of €25,000,000 or more to any Debtor, the Company will procure that the person giving that loan, granting that credit or making that other financial arrangement (if not already a Party as an Intra-Group Lender) accedes to this Agreement as an Intra-Group Lender, pursuant to Clause 17.9 (*Creditor/Creditor Representative Accession Undertaking*).

#### **17.8 New Ancillary Lender**

If any Affiliate of a Senior Facility Creditor becomes an Ancillary Lender in accordance with the Senior Facility Agreement, it shall not be entitled to share in any of the Transaction Security or in the benefit of any guarantee or indemnity in respect of any of the liabilities arising in relation to its Ancillary Facilities unless it has (if not already a Party as a Senior Facility Creditor) acceded to this Agreement as a Senior Facility Creditor pursuant to Clause 17.9 (*Creditor/Creditor Representative Accession Undertaking*) and, to the extent required by the Senior Facility Agreement, to the Senior Facility Agreement as an Ancillary Lender.

#### **17.9 Creditor/Creditor Representative Accession Undertaking**

With effect from the date of acceptance by the Security Agent of a Creditor/Creditor Representative Accession Undertaking duly executed and delivered to the Security Agent by the relevant acceding party or, if later, the date specified in that Creditor/Creditor Representative Accession Undertaking:

- (a) any Party ceasing entirely to be a Creditor shall be discharged from further obligations towards the Security Agent and other Parties under this Agreement and their respective rights against one another shall be cancelled (except in each case for those rights which arose prior to that date);
- (b) as from that date, the replacement or new Creditor shall assume the same obligations, and become entitled to the same rights, as if it had been an original Party in the capacity specified in the Creditor/Creditor Representative Accession Undertaking; and

- (c) to the extent envisaged by the Senior Facility Agreement, any new Ancillary Lender (which is an Affiliate of a Senior Facility Creditor) shall also become party to the Senior Facility Agreement as an Ancillary Lender and shall assume the same obligations and become entitled to the same rights as if it had been an original party to the Senior Facility Agreement as an Ancillary Lender.

#### **17.10 New Debtor**

- (a) If any Group Company:
  - (i) incurs any Liabilities to any Senior Creditor; or
  - (ii) gives any Security, guarantee, indemnity or other assurance against loss in respect of any of the Liabilities owed to any Senior Creditor,

the Debtors will procure that the person incurring those Liabilities or giving that assurance accedes to this Agreement as a Debtor, in accordance with paragraph (c) below, no later than contemporaneously with the incurrence of those Liabilities or the giving of that assurance.

- (b) If any Affiliate of a Borrower under and as defined in the Senior Facility Agreement becomes a borrower of an Ancillary Facility in accordance with the Senior Facility Agreement, the relevant Borrower under and as defined in the Senior Facility Agreement shall procure that such Affiliate accedes to this Agreement as a Debtor no later than contemporaneously with the date on which it becomes a borrower.
- (c) With effect from the date of acceptance by the Security Agent of a Debtor Accession Deed duly executed and delivered to the Security Agent by the new Debtor or, if later, the date specified in the Debtor Accession Deed, the new Debtor shall assume the same obligations and become entitled to the same rights as if it had been an original Party as a Debtor.

#### **17.11 Additional parties**

- (a) Each of the Parties appoints the Security Agent to receive on its behalf each Debtor Accession Deed and Creditor/Creditor Representative Accession Undertaking delivered to the Security Agent and the Security Agent shall, as soon as reasonably practicable after receipt by it, sign and accept the same if it appears on its face to have been completed, executed and, where applicable, delivered in the form contemplated by this Agreement or, where applicable, by the Senior Facility Agreement.
- (b) In the case of a Creditor/Creditor Representative Accession Undertaking delivered to the Security Agent by any new Ancillary Lender (which is an Affiliate of a Senior Facility Creditor):
  - (i) the Security Agent shall, as soon as practicable after signing and accepting that Creditor/Creditor Representative Accession Undertaking in accordance with paragraph (a) above, deliver that Creditor/Creditor Representative Accession Undertaking to the Senior Facility Agent; and

- (ii) the Senior Facility Agent shall, as soon as practicable after receipt by it, sign and accept that Creditor/Creditor Representative Accession Undertaking if it appears on its face to have been completed, executed and delivered in the form contemplated by this Agreement.

#### **17.12 Resignation of a Debtor**

- (a) The Company may request that a Debtor ceases to be a Debtor by delivering to the Security Agent a Debtor Resignation Request.
- (b) The Security Agent shall accept a Debtor Resignation Request and notify the Company and each other Party of its acceptance if:
  - (i) the Company has confirmed that no Default is continuing or would result from the acceptance of the Debtor Resignation Request;
  - (ii) to the extent that the Senior Facility Discharge Date has not occurred, the Senior Agent notifies the Security Agent that that Debtor is under no actual or contingent obligations in respect of the Senior Facility Liabilities;
  - (iii) to the extent that the Senior Secured Notes Discharge Date has not occurred, the Senior Secured Notes Trustee notifies the Security Agent that the Debtor is under no actual or contingent obligations in respect of the Senior Secured Notes Liabilities;
  - (iv) to the extent that any Bilateral Facility Discharge Date has not occurred, the relevant Bilateral Facility Lender confirms that that Debtor is under no actual or contingent obligations in respect of the relevant Bilateral Facility Liabilities; and
  - (v) to the extent that any Additional Senior Financing Discharge Date has not occurred, the relevant Additional Senior Financing Creditor confirms that that Debtor is under no actual or contingent obligations in respect of the Additional Senior Financing Liabilities.
- (c) Upon notification by the Security Agent to the Company of its acceptance of the resignation of a Debtor, that Group Company shall cease to be a Debtor and shall have no further rights or obligations under this Agreement as a Debtor.

## **SECTION 7**

### **ADDITIONAL PAYMENT OBLIGATIONS**

#### **18. COSTS AND EXPENSES**

##### **18.1 Transaction expenses**

The Company shall (or shall procure that another Debtor shall) within five Business Days of demand, pay the Security Agent the amount of all costs and expenses (including legal fees) (together with any applicable VAT) reasonably incurred by the Security Agent and by any Receiver or Delegate in connection with the negotiation, preparation, printing, execution and perfection of:

- (a) this Agreement and any other documents referred to in this Agreement and the Transaction Security; and
  - (b) any other Debt Documents executed after the date of this Agreement,
- up to any agreed cap.

##### **18.2 Amendment costs**

If a Debtor requests an amendment, waiver or consent, the Company shall (or shall procure that another Debtor shall), within 30 days of demand, reimburse the Security Agent for the amount of all costs and expenses (including legal fees) (together with any applicable VAT) reasonably incurred by the Security Agent (and by any Receiver or Delegate) in responding to, evaluating, negotiating or complying with that request or requirement.

##### **18.3 Enforcement and preservation costs**

The Company shall (or shall procure that another Debtor shall), within five Business Days of demand, pay to the Security Agent the amount of all costs and expenses (including legal fees and together with any applicable VAT) incurred by it in connection with the enforcement of or the preservation of any rights under any Debt Document and the Transaction Security and any proceedings instituted by or against the Security Agent as a consequence of taking or holding the Transaction Security or enforcing these rights, except for any arising out of the gross negligence, wilful misconduct or deliberate breach of the terms of the Finance Documents by the Security Agent.

##### **18.4 Security Agent's Fees**

The Company shall (or shall procure that another Debtor shall) pay to the Security Agent (for its own account) the security agent fee in the amount and at the times agreed in the letter dated on or about the date of this Agreement between the Security Agent and the Company.

##### **18.5 Stamp taxes**

The Company shall (or shall procure that another Debtor shall) pay and, within five Business Days of demand, indemnify the Security Agent against any cost, loss or

liability the Security Agent incurs in relation to all stamp duty, registration and other similar Taxes (including but not limited to any notarial fees if they have not been paid by the Company to the notary) payable in respect of any Debt Document, excluding any payable on or in connection with any transfer or assignment by any Senior Creditor of any of its rights and/or obligations under the Debt Documents, other than in respect of primary syndication of Commitments (under and as such term is defined in the Senior Facility Agreement) on or prior to the Closing Date.

#### **18.6 Interest on demand**

If any Creditor or Debtor fails to pay any amount payable by it under this Agreement on its due date, interest shall accrue on the overdue amount (and be compounded with it) from the due date up to the date of actual payment (both before and after judgment and to the extent interest at a default rate is not otherwise being paid on that sum) at the rate which is one per cent. per annum over the rate at which the Security Agent was being offered, by leading banks in the London interbank market, deposits in an amount comparable to the unpaid amounts in the currencies of those amounts for any period(s) that the Security Agent may from time to time select **provided that** if any such rate is below zero, that rate will be deemed to be zero.

#### **18.7 Transfer costs**

Notwithstanding any other term of this Agreement, if a Senior Creditor assumes, transfers or assigns any of its rights or obligations under the Debt Documents no member of the Group shall be required to pay any fees, costs, expenses, Taxes or other amounts relating to or arising in connection with that assumption, assignment or transfer (including without limitation any amount relating to the perfection of any Transaction Security), other than in respect of primary syndication of Commitments (under and as such term is defined in the Senior Facility Agreement) on or prior to the Closing Date.

### **19. OTHER INDEMNITIES**

#### **19.1 Indemnity to the Security Agent**

- (a) Subject to any limitation under applicable law, each Debtor jointly and severally shall within five Business Days of demand indemnify the Security Agent and every Receiver and Delegate against any cost, loss or liability (together with any applicable VAT) incurred by any of them as a result of:
  - (i) any failure by the Company to comply with its obligations under Clause 18 (*Costs and Expenses*);
  - (ii) acting or relying on any notice, request or instruction which it reasonably believes to be genuine, correct and appropriately authorised;
  - (iii) the taking, holding, protection or enforcement of the Transaction Security in accordance with the Debt Documents;
  - (iv) the exercise of any of the rights, powers, discretions, authorities and remedies vested in the Security Agent, each Receiver and each Delegate by the Debt Documents or by law;



- (v) any default by any Debtor in the performance of any of the obligations expressed to be assumed by it in the Debt Documents;
  - (vi) instructing lawyers, accountants, tax advisers, surveyors, a Financial Adviser or other professional advisers or experts as permitted under this Agreement; or
  - (vii) acting as Security Agent, Receiver or Delegate under the Debt Documents or which otherwise relates to any of the Security Property,
- (otherwise, in each case, than by reason of the relevant Security Agent's, Receiver's or Delegate's gross negligence or wilful misconduct) or wilful default.
- (b) The Security Agent and every Receiver and Delegate may, in priority to any payment to the Secured Parties, indemnify itself out of the Charged Property in respect of, and pay and retain, all sums necessary to give effect to the indemnity in this Clause 19.1 and shall have a lien on the Transaction Security and the proceeds of the enforcement of the Transaction Security for all moneys payable to it.

## 19.2 **Company's indemnity to Senior Creditors**

The Company shall promptly and as principal obligor indemnify each Senior Creditor against any cost, loss or liability (together with any applicable VAT), whether or not reasonably foreseeable, incurred by any of them in relation to or arising out of the operation of Clause 10 (*Distressed Disposals and Appropriation*) (otherwise than by reason of the relevant cost, loss or liability being caused by the gross negligence, wilful misconduct or wilful default of the relevant Senior Creditor).

## **SECTION 8 ADMINISTRATION**

### **20. INFORMATION**

#### **20.1 Dealings with Security Agent and other Creditor Representatives**

- (a) Subject to clause 37.5 (*Communication when Agent is Impaired Agent*) of the Senior Facility Agreement (or equivalent provisions in an Additional Senior Financing Agreement), each Senior Facility Creditor and Additional Senior Financing Creditor shall deal with the Security Agent exclusively through its Creditor Representative.
- (b) Each Bilateral Lender shall deal directly with the Security Agent and shall not deal through any Creditor Representative.
- (c) Each Senior Secured Noteholder shall deal directly with the Senior Secured Notes Trustee and the Senior Secured Notes Trustee shall deal directly with the Security Agent.
- (d) No Creditor Representative shall be under any obligation to act as agent or otherwise on behalf of any Bilateral Lender except as expressly provided for in, and for the purposes of, this Agreement.

#### **20.2 Disclosure between Senior Creditors and Security Agent**

Notwithstanding any agreement to the contrary, each of the Debtors, the Equity Investors and the Equity Investor Affiliates consents, until the Senior Discharge Date, to the disclosure by any Senior Creditor and the Security Agent to each other (whether or not through a Creditor Representative or the Security Agent) of such information concerning the Debtors, the Equity Investors and the Equity Investor Affiliates as any Senior Creditor or the Security Agent shall see fit.

#### **20.3 Notification of prescribed events**

- (a) If an Acceleration Event occurs:
  - (i) the relevant Creditor Representative or Bilateral Lender shall notify the Security Agent; and
  - (ii) the Security Agent shall, upon receiving that notification, notify each other Party.
- (b) If the Security Agent enforces, or takes formal steps to enforce, any of the Transaction Security it shall notify each Party of that action.
- (c) If any Senior Creditor exercises any right it may have to enforce, or to take formal steps to enforce, any of the Transaction Security it shall notify the Security Agent and the Security Agent shall, upon receiving that notification, notify each Party of that action.

## **21. NOTICES**

### **21.1 Communications in writing**

Any communication to be made under or in connection with this Agreement shall be made in writing and, unless otherwise stated, may be made by fax or letter.

### **21.2 Security Agent's communications with Senior Creditors**

The Security Agent shall be entitled to carry out all dealings:

- (a) with the Senior Facility Creditors and the Additional Senior Financing Creditors through their respective Creditor Representatives and may give to their Creditor Representative any notice or other communication required to be given by the Security Agent to a Senior Facility Creditor and/or an Additional Senior Financing Creditor (as applicable);
- (b) the Senior Secured Noteholders through the Senior Secured Notes Trustee and may give to the Senior Secured Notes Trustee any notice or other communication required to be given by the Security Agent to a Senior Secured Noteholder; and
- (c) with each Bilateral Facility Lender directly with that Bilateral Facility Lender.

### **21.3 Addresses**

The address and fax number (and the department or officer, if any, for whose attention the communication is to be made) of each Party for any communication or document to be made or delivered under or in connection with this Agreement is:

- (a) in the case of the Company, that identified with its name below;
- (b) in the case of the Security Agent, that identified with its name below;
- (c) in the case of the Senior Secured Notes Trustee, that identified with its name below;
- (d) in the case of the Senior Facility Agent, that identified with its name below;
- (e) in the case of each Bilateral Lender, that identified with its name below; and
- (f) in the case of each other Party, that notified in writing to the Security Agent on or prior to the date on which it becomes a Party,

or any substitute address, fax number or department or officer which that Party may notify to the Security Agent (or the Security Agent may notify to the other Parties, if a change is made by the Security Agent) by not less than five Business Days' notice.

#### 21.4 Delivery

- (a) Any communication or document made or delivered by one person to another under or in connection with this Agreement will only be effective:
  - (i) if by way of fax, when received in legible form; or
  - (ii) if by way of letter, when it has been left at the relevant address or five Business Days after being deposited in the post postage prepaid in an envelope addressed to it at that address,and, if a particular department or officer is specified as part of its address details provided under Clause 21.3 (*Addresses*), if addressed to that department or officer.
- (b) Any communication or document to be made or delivered to the Security Agent will be effective only when actually received by the Security Agent and then only if it is expressly marked for the attention of the department or officer identified with the Security Agent's signature below (or any substitute department or officer as the Security Agent shall specify for this purpose).
- (c) Any communication or document made or delivered to the Company in accordance with this Clause 21.4 will be deemed to have been made or delivered to each of the Debtors.
- (d) Any communication or document which becomes effective, in accordance with paragraphs (a) to (c) above, after 5.00 pm in the place of receipt shall be deemed only to become effective on the following day.

#### 21.5 Notification of address and fax number

Promptly upon receipt of notification of an address and fax number or change of address or fax number pursuant to Clause 21.3 (*Addresses*) or changing its own address or fax number, the Security Agent shall notify the other Parties.

#### 21.6 Electronic communication

- (a) Any communication to be made between any two Parties under or in connection with this Agreement may be made by electronic mail or other electronic means to the extent that those two Parties agree that, unless and until notified to the contrary, this is to be an accepted form of communication and if those two Parties:
  - (i) notify each other in writing of their electronic mail address and/or any other information required to enable the sending and receipt of information by that means; and
  - (ii) notify each other of any change to their address or any other such information supplied by them by not less than five Business Days' notice.

- (b) Any electronic communication made between those two Parties will be effective only when actually received in readable form and in the case of any electronic communication made by a Party to the Security Agent only if it is addressed in such a manner as the Security Agent shall specify for this purpose.
- (c) Any electronic communication which becomes effective, in accordance with paragraph (b) above, after 5.00 pm in the place of receipt shall be deemed only to become effective on the following day.

#### **21.7 English language**

- (a) Any notice given under or in connection with this Agreement must be in English.
- (b) All other documents provided under or in connection with this Agreement must be:
  - (i) in English; or
  - (ii) if not in English, and if so required by the Security Agent, accompanied by a certified English translation and, in this case, the English translation will prevail unless the document is a constitutional, statutory or other official document.

### **22. PRESERVATION**

#### **22.1 Partial invalidity**

If, at any time, any provision of a Debt Document is or becomes illegal, invalid or unenforceable in any respect under any law of any jurisdiction, neither the legality, validity or enforceability of the remaining provisions nor the legality, validity or enforceability of that provision under the law of any other jurisdiction will in any way be affected or impaired.

#### **22.2 No impairment**

If, at any time after its date, any provision of a Debt Document (including this Agreement) is not binding on or enforceable in accordance with its terms against a person expressed to be a party to that Debt Document, neither the binding nature nor the enforceability of that provision or any other provision of that Debt Document will be impaired as against the other party(ies) to that Debt Document.

#### **22.3 Remedies and waivers**

No failure to exercise, nor any delay in exercising, on the part of any Party, any right or remedy under a Debt Document shall operate as a waiver of any such right or remedy or constitute an election to affirm any Debt Document. No election to affirm any Debt Document on the part of any Secured Party shall be effective unless it is in writing. No single or partial exercise of any right or remedy shall prevent any further or other exercise or the exercise of any other right or remedy. The rights and

remedies provided in each Debt Document are cumulative and not exclusive of any rights or remedies provided by law.

#### **22.4 Waiver of defences**

The provisions of this Agreement or any Transaction Security will not be affected by an act, omission, matter or thing which, but for this Clause 22.4, would reduce, release or prejudice the subordination and priorities expressed to be created by this Agreement including (without limitation and whether or not known to any Party):

- (a) any time, waiver or consent granted to, or composition with, any Debtor or other person;
- (b) the release of any Debtor or any other person under the terms of any composition or arrangement with any creditor of any Group Company;
- (c) the taking, variation, compromise, exchange, renewal or release of, or refusal or neglect to perfect, take up or enforce, any rights against, or security over assets of, any Debtor or other person or any non-presentation or non-observance of any formality or other requirement in respect of any instrument or any failure to realise the full value of any Security;
- (d) any incapacity or lack of power, authority or legal personality of or dissolution or change in the members or status of any Debtor or other person;
- (e) any amendment, novation, supplement, extension (whether of maturity or otherwise) or restatement (in each case, however fundamental and of whatsoever nature, and whether or not more onerous) or replacement of a Debt Document or any other document or security;
- (f) any unenforceability, illegality or invalidity of any obligation of any person under any Debt Document or any other document or security;
- (g) any intermediate Payment of any of the Liabilities owing to the Senior Creditors in whole or in part; or
- (h) any insolvency or similar proceedings.

#### **22.5 Priorities not affected**

Except as otherwise provided in this Agreement and to the extent permitted by applicable law the priorities referred to in Clause 2 (*Ranking and Priority*) will:

- (a) not be affected by any reduction or increase in the principal amount secured by the Transaction Security in respect of the Liabilities owing to the Senior Creditors or by any intermediate reduction or increase in, amendment or variation to any of the Debt Documents, or by any variation or satisfaction of, any of the Liabilities or any other circumstances;
- (b) apply regardless of the order in which or dates upon which this Agreement and the other Debt Documents are executed or registered or notice of them is given to any person; and

- (c) secure the Liabilities owing to the Senior Creditors in the order specified, regardless of the date upon which any of the Liabilities arise or of any fluctuations in the amount of any of the Liabilities outstanding.

## 23. CONSENTS, AMENDMENTS AND OVERRIDE

### 23.1 Required consents

- (a) Subject to paragraphs (b) and (c) below and subject to Clauses 2.3 (*Refinancing Debt*), 14 (*New Money and Refinancing*) and Clause 23.4 (*Exceptions*), this Agreement may be amended or waived only with the consent of the Company and:

- (i) the Senior Facility Agent acting on the instructions of the requisite Senior Facility Lenders;
- (ii) the Senior Secured Notes Trustee;
- (iii) if any Additional Senior Secured Financing has been incurred, the relevant Creditor Representative acting on the instructions of the requisite Additional Senior Financing Creditors; and
- (iv) each Bilateral Facility Lender.

- (b) An amendment that has the effect of changing or which relates to:

- (i) curing defects, resolving ambiguities or reflecting changes of a minor, technical or administrative nature; or
- (ii) the requirements of any person proposing to act as a Creditor Representative in respect of an Additional Senior Financing or a Senior Refinancing, Senior Facility Agent or Senior Secured Notes Trustee which are customary for persons acting in such capacity,

may be made by the relevant Creditor Representative, Senior Facility Agent, Senior Secured Notes Trustee and Security Agent and in each case the Company, without the need for consent from any other Party.

- (c) To the extent that an amendment or consent or waiver only affects the rights or obligations of the Senior Facility Creditors, the Senior Secured Noteholders, any Additional Senior Financing Creditors, or any Bilateral Facility Lender and cannot reasonably be expected to adversely affect in any material respect the interests of any of other Party, such amendment may be made by the relevant Creditor Representative in respect of the Senior Facility Creditors, Senior Secured Noteholders or Additional Senior Financing Creditors as applicable, or any Bilateral Facility Lender and in each case the Company without the need for consent from any other Party.
- (d) The Senior Secured Notes Trustee shall, to the extent consented to by the requisite percentage of Senior Secured Noteholders in accordance with the Senior Secured Notes Indenture, act on such instructions in accordance therewith unless to the extent any amendments so consented to relate to any

provision affecting the rights and obligations of the Senior Secured Notes Trustee in its capacity as such.

### **23.2 Amendments and Waivers: Transaction Security Document**

Unless the provisions of any Debt Document expressly provide otherwise, the Security Agent may, if the Company consents, amend the terms of, waive any of the requirements of or grant consents under:

- (a) the Senior Facility and Senior Secured Notes Security Documents with, prior to the Senior Facility Discharge Date, the consent of the Senior Facility Agent acting on the instructions of the requisite Senior Facility Lenders and, prior to the Senior Secured Notes Discharge Date, the consent of the Senior Secured Notes Trustee;
- (b) the Bilateral Facility Security Documents with, prior to any Bilateral Facility Discharge Date, the consent of the Bilateral Facility Lender under such Bilateral Facility Agreement; and
- (c) any Additional Senior Financing Security Documents with:
  - (i) in respect of an Ancillary Facility, prior to the Senior Facility Discharge Date, the consent of the relevant Ancillary Lender; and
  - (ii) in respect of an Additional Senior Financing, prior to the relevant Additional Senior Financing Discharge Date, the consent of the relevant Creditor Representative on behalf of the requisite Additional Senior Financing Creditors.

### **23.3 Effectiveness**

- (a) Any amendment, waiver or consent given in accordance with this Clause 23 (other than Clause 23.2 (*Amendments and Waivers: Transaction Security Document*)) will be binding on all Parties and the Security Agent may effect, on behalf of any Senior Creditor, any amendment, waiver or consent permitted by this Clause 23.
- (b) Without prejudice to the generality of Clause 15.7 (*Rights and discretions*) the Security Agent may engage, pay for and rely on the services of lawyers in determining the consent level required for and effecting any amendment, waiver or consent under this Agreement.

### **23.4 Exceptions**

- (a) Subject to paragraphs (c) and (d) below, if the amendment, waiver or consent may impose new or additional obligations on or withdraw or reduce the rights of any Party other than in the case of a Senior Creditor (other than any Creditor Representative or any Senior Facility Arranger), in a way which affects or would affect Senior Creditors of that Party's class generally, the consent of that Party is required.



- (b) Subject to paragraphs (c) and (d) below, an amendment, waiver or consent which relates to the rights or obligations of a Creditor Representative, a Senior Facility Arranger, the Security Agent (including, without limitation, any ability of the Security Agent to act in its discretion under this Agreement), a Bilateral Facility Lender may not be effected without the consent of that Creditor Representative or, as the case may be, that Senior Facility Arranger, the Security Agent, or that Bilateral Facility Lender.
- (c) Neither paragraph (a) nor (b) above, nor paragraph (b) of Clause 23.2 (*Amendments and Waivers: Transaction Security Document*) shall apply:
  - (i) to any release of Transaction Security, claim or Liabilities; or
  - (ii) to any consent,
 which, in each case, the Security Agent gives in accordance with Clause 10 (*Distressed Disposals and Appropriation*).
- (d) Paragraphs (a) and (b) above shall apply to a Senior Facility Arranger only to the extent that Senior Facility Liabilities are then owed to that Senior Facility Arranger.

### 23.5 Excluded Senior Credit Participations

- (a) The Security Agent shall notify each Creditor Representative, and each Bilateral Facility Lender of any instruction that may be requested of the relevant Senior Creditors under this Agreement. Each Creditor Representative and Bilateral Facility Lender must then provide its instructions by no later than twenty Business Days after the date upon which the Security Agent gave such notification (the "**Decision Date**") in a certificate setting out its Senior Credit Participation.
- (b) If a Creditor Representative or Bilateral Facility Lender has not notified the Security Agent of its instructions by the Decision Date, then Senior Credit Participations held by the relevant Senior Creditors will not be considered as part of the Senior Credit Participations for the purpose of determining whether the requisite voting levels have been attained in relation to that decision, **provided that** such a reduction in voting entitlement shall not apply to any amendment or waiver that has this effect or changing of which relates to:
  - (i) Clause 8 (*Redistribution*), Clause 13 (*Application of Proceeds*) or this Clause 23;
  - (ii) paragraph (d)(iii), (e) and (f) of Clause 15.2 (*Instructions*); or
  - (iii) the order of priority or subordination under this Agreement.

### 23.6 Calculation of Senior Credit Participations

For the purpose of ascertaining whether any relevant percentage of Senior Credit Participations has been obtained under this Agreement, the Security Agent may

notionally convert the Senior Credit Participations into their Common Currency Amounts.

### 23.7 **Agreement to override**

Unless expressly stated otherwise in this Agreement, this Agreement overrides anything in the Debt Documents to the contrary.

## 24. **COUNTERPARTS**

This Agreement may be executed in any number of counterparts, and this has the same effect as if the signatures on the counterparts were on a single copy of this Agreement.

### 24.1 **Notarial document**

This Agreement as well as any amendments hereto or thereto, including each Debtor Accession Deed in respect of any Debtor incorporated in Spain (a "**Spanish Debtor**") will be formalised in a Spanish Public Document at the cost of the Company, so that it may have the status of a notarial document for all purposes contemplated in Article 517 of the Spanish Civil Procedural Law (Law 1/2000 of 7th January) ("*Ley de Enjuiciamiento Civil*") (the "**Civil Procedure Law**").

### 24.2 **Determination of Debt**

For the purpose of the provisions of Article 572 et seq. of the Spanish Civil Procedural Law, it is expressly agreed by the Parties that the determination of the due amounts to be claimed through executive proceedings shall be calculated by the Security Agent (or the relevant Creditor, as the case may be) following its accounting provisions and that any amounts so calculated shall be deemed true, net, due and payable.

### 24.3 **Authority to obtain notarised copies**

Each Obligor undertakes, at the request of the Security Agent, to grant as many public or private documents as are required in order for any Senior Finance Document and/or any amendments to any of them to be raised to the status of Spanish Public Document. The Debtors expressly authorise the Security Agent and each Senior Creditor, as appropriate, to request and obtain certificates evidencing the entry of this Agreement in the Register of Transactions of the Notary authorising the same.

## 25. **GOVERNING LAW**

This Agreement and any non-contractual obligations arising out of or in connection with it are governed by English law.

## 26. **ENFORCEMENT**

### 26.1 **Jurisdiction**

- (a) The courts of England have exclusive jurisdiction to settle any dispute arising out of or in connection with this Agreement (including a dispute relating to the

existence, validity or termination of this Agreement or the consequences of its nullity or any non-contractual obligation arising out of or in connection with this Agreement) (a "**Dispute**").

- (b) The Parties agree that the courts of England are the most appropriate and convenient courts to settle Disputes and accordingly no Party will argue to the contrary.
- (c) This Clause 26.1 is for the benefit of the Secured Parties only. As a result, no Secured Party shall be prevented from taking proceedings relating to a Dispute in any other courts with jurisdiction. To the extent allowed by law, the Secured Parties may take concurrent proceedings in any number of jurisdictions.

## **26.2 Service of Process**

- (a) Each Debtor agrees that the documents which start any proceedings before the English courts in relation to this Agreement, and any other documents required to be served in connection with those proceedings, may be served on it by being delivered to Gestamp Washington UK Limited at its registered office or place of business in England and Wales, or to such other address in England and Wales as each such Debtor may specify by notice in writing to the Security Agent. Nothing in this paragraph shall affect the right of any Secured Party to serve process in any other manner permitted by law. This Clause applies to proceedings in England and proceedings elsewhere but not to proceedings in Spain.
- (b) Each Equity Investor and Equity Investor Affiliate agrees that the documents which start any proceedings before the English courts in relation to this Agreement, and any other documents required to be served in connection with those proceedings, may be served on it by being delivered to Gestamp Washington UK Limited at its registered office or place of business in England and Wales, or to such other address in England and Wales as each such Equity Investor or Equity Investor Affiliate may specify by notice in writing to the Security Agent. Nothing in this paragraph shall affect the right of any Secured Party to serve process in any other manner permitted by law. This Clause applies to proceedings in England and proceedings elsewhere but not to proceedings in Spain.

**THIS AGREEMENT** has been entered into on the date stated at the beginning of this Agreement and executed as a deed by the Debtors and the Creditors and the Equity Investors and is intended to be and is delivered by them as a deed on the date specified above.



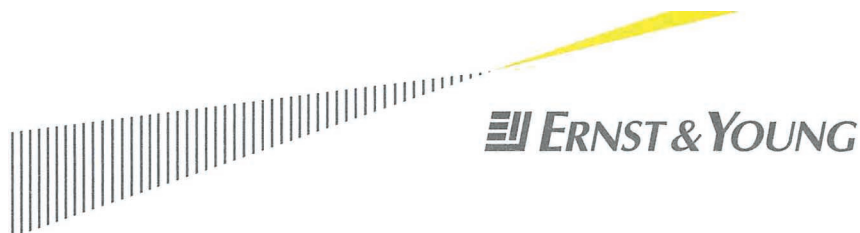
**GESTAMP AUTOMOCIÓN, S.A.  
AND SUBSIDIARIES**

**CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEARS ENDED  
DECEMBER 31, 2012, 2011, 2010**

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**Independent Auditor's Report**  
**GESTAMP AUTOMOCIÓN, S.A.**  
**AND SUBSIDIARIES**  
**Consolidated Financial Statements**  
**for the years ended**  
**December 31, 2012, 2011 and 2010**





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28020 Madrid  
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## REPORT ON THE CONSOLIDATED FINANCIAL STATEMENTS

To the Management of  
Gestamp Automoción, S.A.

We have audited the accompanying consolidated financial statements of Gestamp Automoción, S.A. (the Parent Company) and its subsidiaries (the Group), which comprise the consolidated statements of financial position as of December 31, 2012, 2011 and 2010 and the consolidated income statements, the consolidated statements of comprehensive income, the consolidated statements of changes in equity, the consolidated statements of cash flow, and explanatory notes for the years then ended.

### Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these consolidated financial statements in accordance with International Financial Reporting Standards as adopted by the European Union ("IFRS—EU"), and for such internal control as management determines is necessary to enable the preparation of consolidated financial statements that are free from material misstatement, whether due to fraud or error.

### Auditor's Responsibility

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

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

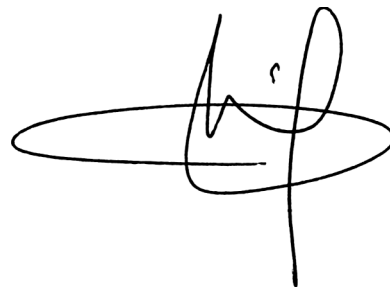
We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Domicilio Social: Pl. Pablo Ruiz Picasso, 1. 28020 Madrid  
Inscrita en el Registro Mercantil de Madrid al  
Tomo 12749, Libro 0, Folio 215, Sección 8ª,  
Hoja M-23123, Inscripción 116. C.I.F. B-78970506

### **Opinion**

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of Gestamp Automoción, S.A. and subsidiaries as of December 31, 2012, 2011 and 2010, and of its financial performance and its cash flows for the years then ended in accordance with International Financial Reporting Standards as adopted by the European Union ("IFRS—EU").

ERNST & YOUNG, S.L.

A handwritten signature in black ink, appearing to be "R. Masip", written over a horizontal line.

Ramón Masip

April 8, 2013



**GESTAMP AUTOMOCIÓN, S.A. AND SUBSIDIARIES**  
**CONSOLIDATED STATEMENT OF FINANCIAL POSITION**  
**AT DECEMBER 31, 2012, 2011 AND 2010**

	<u>Notes</u>	<u>2012</u>	<u>2011</u>	<u>2010</u>
		(In thousands of euros)		
<b>ASSETS</b>				
<b>NON-CURRENT ASSETS</b>				
Intangible assets . . . . .	6	215,116	197,470	192,369
Goodwill . . . . .		136,150	136,907	144,307
Other intangible assets . . . . .		78,966	60,563	48,062
Property, plant and equipment . . . . .	7	2,431,412	2,132,880	1,713,447
Land and buildings . . . . .		847,761	804,332	715,495
Plant and other PP&E . . . . .		1,153,031	1,036,119	837,484
PP&E under construction and prepayments . . . . .		430,620	292,429	160,468
Investments in associates accounted for using equity method . . . . .	8	5,965	4,800	8,263
Other non-current financial assets . . . . .	9	54,842	47,182	27,356
Loans and receivables . . . . .		35,167	31,374	24,624
Derivatives in effective hedges . . . . .		14,174	10,123	—
Other non-current financial assets . . . . .		5,501	5,685	2,732
Deferred tax assets . . . . .	24.2	174,299	183,397	177,582
<b>TOTAL NON-CURRENT ASSETS . . . . .</b>		<b>2,881,634</b>	<b>2,565,729</b>	<b>2,119,017</b>
<b>CURRENT ASSETS</b>				
Inventories . . . . .	10	495,956	452,826	253,386
Raw materials and other consumables . . . . .		230,553	215,984	141,364
Work in progress . . . . .		109,872	77,740	28,010
Finished products and by-products . . . . .		102,355	111,204	58,306
Prepayments to suppliers . . . . .		53,176	47,898	25,706
Trade and other receivables . . . . .		1,003,842	1,016,330	725,814
Trade receivables . . . . .	11	823,294	841,106	592,271
Other receivables . . . . .	11	30,106	38,753	32,673
Current income tax assets . . . . .	24.3	37,853	33,847	29,330
Current tax receivables . . . . .	24.4	112,589	102,624	71,540
Other current assets . . . . .	12	8,731	9,172	4,229
Other current financial assets . . . . .	9	53,397	35,484	80,365
Loans and receivables . . . . .		31,961	25,518	44,960
Securities portfolio . . . . .		12,518	4,349	30,677
Other current financial assets . . . . .		8,918	5,617	4,728
Cash and cash equivalents . . . . .	13	247,566	260,053	337,051
<b>TOTAL CURRENT ASSETS . . . . .</b>		<b>1,809,492</b>	<b>1,773,865</b>	<b>1,400,845</b>
<b>TOTAL ASSETS . . . . .</b>		<b>4,691,126</b>	<b>4,339,594</b>	<b>3,519,862</b>

The accompanying Notes 1 to 32 are an integral part of the consolidated statement of financial position

**GESTAMP AUTOMOCIÓN, S.A. AND SUBSIDIARIES**  
**CONSOLIDATED STATEMENT OF FINANCIAL POSITION**  
**AT DECEMBER 31, 2012, 2011 AND 2010 (Continued)**

	Notes	2012	2011	2010
		(In thousands of euros)		
<b>EQUITY AND LIABILITIES</b>				
<b>EQUITY</b>				
Equity attributable to equity holders of the parent .		<b>1,251,082</b>	<b>1,167,023</b>	<b>1,072,540</b>
Share capital . . . . .	14	288,237	288,237	288,237
Share premium . . . . .	14	61,591	61,591	61,591
Reserves and retained earnings . . . . .	15	941,959	831,470	705,701
Translation differences . . . . .	16	(40,705)	(14,275)	17,011
Equity attributable to non-controlling interests . . . .	17	<b>299,101</b>	<b>276,889</b>	<b>134,067</b>
<b>TOTAL EQUITY . . . . .</b>		<b><u>1,550,183</u></b>	<b><u>1,443,912</u></b>	<b><u>1,206,607</u></b>
<b>NON-CURRENT LIABILITIES</b>				
Deferred income . . . . .	19	<b>29,481</b>	<b>30,267</b>	<b>28,709</b>
Provisions . . . . .	20	<b>167,222</b>	<b>171,487</b>	<b>118,982</b>
Non-trade liabilities . . . . .	22	<b>1,119,143</b>	<b>862,161</b>	<b>765,514</b>
Interest—bearing loans and borrowings . . . . .		919,521	755,900	684,953
Derivative financial instruments . . . . .		52,949	47,082	28,101
Other non-current financial liabilities . . . . .		146,673	59,179	52,460
Deferred tax liabilities . . . . .	24.2	<b>176,192</b>	<b>170,495</b>	<b>155,667</b>
Other non-current liabilities . . . . .		<b>1,288</b>	<b>2,559</b>	<b>3,283</b>
<b>TOTAL NON-CURRENT LIABILITIES . . . . .</b>		<b><u>1,493,326</u></b>	<b><u>1,236,969</u></b>	<b><u>1,072,155</u></b>
<b>CURRENT LIABILITIES</b>				
Non trade liabilities . . . . .	22	<b>701,205</b>	<b>645,452</b>	<b>517,015</b>
Interest—bearing loans and borrowings . . . . .		458,623	476,332	455,917
Other current financial liabilities . . . . .		242,582	169,120	61,098
Trade and other payables . . . . .		<b>924,620</b>	<b>949,581</b>	<b>677,849</b>
Trade accounts payable . . . . .	23	714,711	722,576	500,471
Current tax liabilities . . . . .		25,728	34,413	29,804
Other accounts payable . . . . .	23	184,181	192,592	147,574
Current provisions . . . . .	20	<b>15,120</b>	<b>59,166</b>	<b>44,559</b>
Other current liabilities . . . . .		<b>6,672</b>	<b>4,514</b>	<b>1,677</b>
<b>TOTAL CURRENT LIABILITIES . . . . .</b>		<b><u>1,647,617</u></b>	<b><u>1,658,713</u></b>	<b><u>1,241,100</u></b>
<b>TOTAL LIABILITIES . . . . .</b>		<b><u>3,140,943</u></b>	<b><u>2,895,682</u></b>	<b><u>2,313,255</u></b>
<b>TOTAL EQUITY AND LIABILITIES . . . . .</b>		<b><u>4,691,126</u></b>	<b><u>4,339,594</u></b>	<b><u>3,519,862</u></b>

The accompanying Notes 1 to 32 are an integral part of the consolidated statement of financial position

**GESTAMP AUTOMOCIÓN, S.A. AND SUBSIDIARIES**  
**CONSOLIDATED INCOME STATEMENT**  
for the years ended December 31, 2012, 2011 and 2010

	Notes	2012	2011	2010
		(In thousands of euros)		
<b>Operating income</b> . . . . .		<b>5,872,146</b>	<b>4,913,820</b>	<b>3,284,715</b>
Revenue . . . . .	25	5,757,314	4,774,622	3,170,367
Other operating income . . . . .	25	91,821	36,570	86,486
Changes in inventories . . . . .	10	23,011	102,628	27,862
<b>Operating expenses</b> . . . . .		<b>(5,532,033)</b>	<b>(4,606,977)</b>	<b>(3,091,195)</b>
Raw materials and other consumables . . . . .	26	(3,635,257)	(3,165,268)	(2,039,910)
Personnel expenses . . . . .	26	(989,572)	(733,879)	(535,588)
Depreciation, amortization and impairment losses . .		(279,960)	(240,576)	(196,506)
Other operating expenses . . . . .	26	(627,244)	(467,254)	(319,191)
<b>OPERATING PROFIT</b> . . . . .		<b>340,113</b>	<b>306,843</b>	<b>193,520</b>
Finance income . . . . .	27	7,317	9,953	7,038
Finance costs . . . . .	27	(87,489)	(72,493)	(63,925)
Exchange (losses) gains . . . . .		(1,492)	(11,717)	6,649
Share of profits from associates—equity method . . .		290	(2,422)	888
Changes in fair value of financial instruments . . . . .		—	—	1,387
Impairment of and gains (losses) on sale of financial instruments . . . . .		3,829	(161)	532
<b>NET FINANCE EXPENSE</b> . . . . .		<b>(77,545)</b>	<b>(76,840)</b>	<b>(47,431)</b>
<b>PROFIT BEFORE TAXES</b> . . . . .		<b>262,568</b>	<b>230,003</b>	<b>146,089</b>
Income tax . . . . .	24	(76,434)	(57,389)	(33,007)
<b>PROFIT FOR THE YEAR (from continuing operations)</b> . . . . .		<b>186,134</b>	<b>172,614</b>	<b>113,082</b>
Profit for the year attributable to non-controlling interests . . . . .		(15,993)	(4,128)	(1,728)
<b>PROFIT FOR THE YEAR ATTRIBUTABLE TO EQUITY HOLDERS OF THE PARENT</b> . . . . .		<b>170,141</b>	<b>168,486</b>	<b>111,354</b>
<b>EARNINGS PER SHARE</b>				
Basic and diluted profit for the year attributable to ordinary equity holders of the parent . . . . .	18	35.48	35.13	23.22

The accompanying Notes 1 to 32 are an integral part of the consolidated income statement

**GESTAMP AUTOMOCIÓN, S.A. AND SUBSIDIARIES**  
**CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME**  
**FOR THE YEARS ENDED DECEMBER 31, 2012, 2011 AND 2010**

	Year ended December 31		
	2012	2011	2010
	(In thousands of euros)		
PROFIT FOR THE YEAR . . . . .	186,134	172,614	113,082
OTHER COMPREHENSIVE INCOME			
From cash flow hedges . . . . .	(2,289)	(10,008)	4,171
Translation differences . . . . .	(21,791)	(30,350)	68,624
Actuarial gains and losses . . . . .	(9,981)	—	—
Other adjustments . . . . .	—	—	2,861
For change in criteria of tax authorities affecting Gestamp			
Polska, Sp. Zoo . . . . .	—	—	(179)
Deferred tax liabilities due to portfolio provision Gestamp			
Polska, Sp. Zoo . . . . .	—	—	3,040
<b>TOTAL CONSOLIDATED COMPREHENSIVE INCOME . . . .</b>	<b>152,073</b>	<b>132,256</b>	<b>188,738</b>
Attributable to:			
Equity holders of the parent . . . . .	135,866	127,192	180,544
Non-controlling interests . . . . .	16,207	5,064	8,194
	<b>152,073</b>	<b>132,256</b>	<b>188,738</b>

The accompanying Notes 1 to 32 are an integral part of the consolidated statement of comprehensive income

**GESTAMP AUTOMOCIÓN, S .A. AND SUBSIDIARIES**  
**CONSOLIDATED STATEMENT OF CHANGES IN EQUITY**  
**FOR THE YEARS ENDED DECEMBER 31, 2012, 2011 AND 2010**

	Share capital (Note 14)	Share premium (Note 14)	Reserves and retained earnings (Note 15)	Translation differences (Note 16)	Total	Non- controlling interests (Note 17)	Total equity
(In thousands of euros)							
<b>Balance at December 31, 2009</b>	<b>288,237</b>	<b>61,591</b>	<b>594,364</b>	<b>(45,147)</b>	<b>899,045</b>	<b>80,663</b>	<b>979,708</b>
Profit for the period	—	—	111,354	—	111,354	1,728	113,082
Fair value adjustments reserve (hedge)	—	—	4,171	—	4,171	—	4,171
Currency translation differences	—	—	—	62,158	62,158	6,466	68,624
Adjustments due to tax criteria changes	—	—	2,861	—	2,861	—	2,861
<b>Total comprehensive income for 2010</b>	<b>—</b>	<b>—</b>	<b>118,386</b>	<b>62,158</b>	<b>180,544</b>	<b>8,194</b>	<b>188,738</b>
Dividends distributed	—	—	(9,388)	—	(9,388)	—	(9,388)
Movements in consolidation scope	—	—	2,339	—	2,339	45,276	47,615
Adjustments from prior years	—	—	—	—	—	(66)	(66)
<b>Balance at December 31, 2010</b>	<b>288,237</b>	<b>61,591</b>	<b>705,701</b>	<b>17,011</b>	<b>1,072,540</b>	<b>134,067</b>	<b>1,206,207</b>
Profit for the period	—	—	168,486	—	168,486	4,128	172,614
Fair value adjustments reserve (hedge)	—	—	(10,008)	—	(10,008)	—	(10,008)
Currency translation differences	—	—	—	(31,286)	(31,286)	936	(30,350)
<b>Total comprehensive income for 2011</b>	<b>—</b>	<b>—</b>	<b>158,478</b>	<b>(31,286)</b>	<b>127,192</b>	<b>5,064</b>	<b>132,256</b>
Dividends distributed	—	—	(33,404)	—	(33,404)	—	(33,404)
Movements in consolidation scope	—	—	568	—	568	138,388	138,956
Adjustments from prior years	—	—	—	—	—	(455)	(455)
Other movements	—	—	127	—	127	(175)	(48)
<b>Balance at December 31, 2011</b>	<b>288,237</b>	<b>61,591</b>	<b>831,470</b>	<b>(14,275)</b>	<b>1,167,023</b>	<b>276,889</b>	<b>1,443,912</b>
Profit for the period	—	—	170,141	—	170,141	15,993	186,134
Fair value adjustments reserve (hedge)	—	—	(2,289)	—	(2,289)	—	(2,289)
Currency translation differences	—	—	—	(26,430)	(26,430)	4,639	(21,791)
Actuarial gains and losses	—	—	(5,556)	—	(5,556)	(4,425)	(9,981)
<b>Total comprehensive income for 2012</b>	<b>—</b>	<b>—</b>	<b>162,296</b>	<b>(26,430)</b>	<b>135,866</b>	<b>16,207</b>	<b>152,073</b>
Dividends distributed	—	—	(50,549)	—	(50,549)	—	(50,549)
Capital increases	—	—	—	—	—	6,502	6,502
Movements in consolidation scope	—	—	(1,258)	—	(1,258)	93	(1,165)
Adjustments from prior years	—	—	—	—	—	(590)	(590)
<b>Balance at December 31, 2012</b>	<b>288,237</b>	<b>61,591</b>	<b>941,959</b>	<b>(40,705)</b>	<b>1,251,082</b>	<b>299,101</b>	<b>1,550,183</b>

The accompanying Notes 1 to 32 are an integral part of the consolidated statement of changes in equity

**GESTAMP AUTOMOCIÓN, S.A. AND SUBSIDIARIES**  
**CONSOLIDATED STATEMENT OF CASH FLOWS**  
**FOR THE YEARS ENDED DECEMBER 31, 2012, 2011 AND 2010**

	<u>Notes</u>	<u>2012</u>	<u>2011</u>	<u>2010</u>
		(In thousands of euros)		
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>				
Profit for the year before taxes and after non-controlling interests . . . . .		246,575	225,875	144,361
Adjustments to profit . . . . .		344,394	292,439	267,239
Depreciation and amortization of fixed assets . . .	6-7	280,575	239,474	196,507
Impairment of fixed assets . . . . .	6-7	(615)	1,102	—
Impairment . . . . .	9-10	18,479	6,570	11,503
Change in provisions . . . . .	20	(47,181)	(20,379)	3,278
Grants released to income . . . . .	19	(4,934)	(7,535)	(4,219)
Profit (loss) attributable to non-controlling interests . . . . .	17	15,993	4,128	1,728
Profit from disposal of fixed assets . . . . .		374	858	298
Profit from disposal of financial instruments . . . .		329	—	233
Finance income . . . . .	27	(7,317)	(9,953)	(7,038)
Finance costs . . . . .	27	87,489	72,493	63,925
Share of profits from associates—equity method .	8	(290)	2,421	(888)
Exchange rate differences . . . . .		1,492	11,717	(6,649)
Change in fair value of financial instruments . . . .		—	—	(1,387)
Other income and expenses . . . . .		—	(8,457)	9,948
Changes in working capital . . . . .		(85,573)	(129,630)	(61,480)
Decrease in inventories . . . . .		(61,705)	(46,839)	(44,887)
Decrease (increase) in Trade and other receivables . . . . .		8,796	(39,565)	(145,290)
Decrease in other current assets . . . . .		87	22,905	2,653
(Increase) decrease in Trade and other payables .		(33,717)	(61,565)	123,536
Decrease (increase) in Other current liabilities . .		2,158	(3,842)	843
Other non-current assets and liabilities . . . . .		(1,192)	(724)	1,665
Other cash-flows from operating activities . . . . .		(133,888)	(81,087)	(78,916)
Interest paid . . . . .		(73,042)	(70,350)	(63,362)
Interest received . . . . .		5,562	10,250	4,811
Payments of income tax . . . . .		(66,408)	(20,987)	(20,365)
<b>NET CASH FLOWS FROM OPERATING ACTIVITIES . . . . .</b>		<b>371,508</b>	<b>307,597</b>	<b>271,204</b>

**GESTAMP AUTOMOCIÓN, S.A. AND SUBSIDIARIES**  
**CONSOLIDATED STATEMENT OF CASH FLOWS**  
**FOR THE YEARS ENDED DECEMBER 31, 2012, 2011 AND 2010 (Continued)**

	Notes	2012	2011	2010
		(In thousands of euros)		
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>				
<b>Payments on investments</b> . . . . .		<b>(604,831)</b>	<b>(713,039)</b>	<b>(462,650)</b>
Group companies and associates . . . . .		(8,786)	(422,134)	(148,917)
Additions to consolidation scope . . . . .		—	64,075	2,489
Intangible assets . . . . .	6	(40,073)	(28,382)	(10,608)
Property, plant and equipment . . . . .	7	(533,934)	(299,350)	(303,086)
Other financial assets . . . . .		(22,038)	(6,046)	(2,378)
Other assets . . . . .		—	(21,202)	(150)
<b>Proceeds from divestments</b> . . . . .		<b>25,617</b>	<b>90,381</b>	<b>136,543</b>
Group companies and associates . . . . .		4,763	41,396	36,545
Intangible assets . . . . .	6	448	4,871	1,318
Property, plant and equipment . . . . .	7	4,759	16,238	12,177
Other financial assets . . . . .		15,647	27,114	86,163
Other assets . . . . .		—	762	340
<b>NET CASH FLOWS USED IN INVESTMENTS</b>				
<b>ACTIVITIES</b> . . . . .		<b>(579,214)</b>	<b>(622,658)</b>	<b>(326,107)</b>
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>				
<b>Proceeds and payments on equity instruments</b> . . . . .		<b>4,423</b>	<b>145,871</b>	<b>55,711</b>
Changes in non-controlling interests . . . . .	17	322	137,714	47,945
Grant, donations and legacies received . . . . .	19	4,101	7,817	7,766
Other equity movements . . . . .		—	340	—
<b>Proceeds and payments on financial liabilities</b> . . . . .		<b>242,649</b>	<b>127,986</b>	<b>153,048</b>
Issue . . . . .		443,798	390,245	264,970
Interest-bearing and borrowings . . . . .		313,586	294,669	247,482
Borrowings from Group companies and associates . . . . .		47,069	57,462	7,581
Other borrowings . . . . .		83,143	38,114	9,907
Repayment of . . . . .		(201,149)	(262,259)	(111,922)
Interest-bearing and borrowings . . . . .		(181,720)	(205,485)	(71,239)
Borrowings from Group companies and associates . . . . .		—	(46,898)	(32,883)
Other borrowings . . . . .		(19,429)	(9,876)	(7,800)
<b>Payments on dividends and other equity instruments</b> . . . . .		<b>(50,549)</b>	<b>(33,404)</b>	<b>(9,388)</b>
Dividends . . . . .	15	(50,549)	(33,404)	(9,388)
<b>NET CASH FLOWS FROM FINANCING</b>				
<b>ACTIVITIES</b> . . . . .		<b>196,523</b>	<b>240,453</b>	<b>199,371</b>
Effect of foreign exchange rates . . . . .		(1,304)	(2,390)	—
<b>NET (DECREASE) INCREASE IN CASH OR CASH EQUIVALENTS DURING THE YEAR</b> . . . . .		<b>(12,487)</b>	<b>(76,998)</b>	<b>144,468</b>
<b>CASH AND CASH EQUIVALENT AT 1 JANUARY . . .</b>		<b>260,053</b>	<b>337,051</b>	<b>192,583</b>
<b>CASH AND CASH EQUIVALENT AT 31 DECEMBER</b>		<b>247,566</b>	<b>260,053</b>	<b>337,051</b>

The accompanying Notes 1 to 32 are an integral part of the consolidated cash flow statement

**GESTAMP AUTOMOCIÓN, S.A. AND SUBSIDIARIES**  
**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS**  
**FOR THE YEARS ENDED DECEMBER 31, 2012, 2011 AND 2010**

**1. Corporate information**

GESTAMP AUTOMOCIÓN, S.A., (hereinafter, the Company) was incorporated on December 22, 1997. Its registered address is currently in the Industrial Park of Lebario in Abadiano (Vizcaya).

Its corporate purpose is to provide advisory and financing services and a link with the automobile industry for all its subsidiaries.

On August 02, 2012, the Company registered the change of its legal name, from limited company to corporation, in the Commercial register of Vizcaya. (Note 4.1)

The Company in turn belongs to a larger group, headed by its majority shareholder Corporación Gestamp, S.L. (“Grupo Corporación Gestamp”). The Company carries out commercial and financial transactions with the companies of Grupo Corporación Gestamp under the terms and conditions established among the parties on an arm’s length basis. Intra-Group transfer prices are duly documented as stipulated by the prevailing legislation

The activities of the Company and its subsidiaries (hereinafter, the Group) are focused on the design, development, and manufacturing of metal components for the automotive Industry via stamping, tooling, assembly, welding, tailor welded blanks, and die cutting. The Group also includes other companies dedicated to services such as research and development of new technologies.

Most of the Group’s business is conducted in the European Union; the Americas constitute the second most significant geographic market and Asia the third (Note 25).

Group sales are concentrated across a limited number of customers due to the nature of the automotive Industry.

During 2012, there have not been any significant acquisitions to the Group.

During 2011, the Group acquired certain companies from the Metal Forming business unit of ThyssenKrupp Group, via the newly incorporated company GMF Holding GmbH. The activity of the acquired companies is similar to the Group’s, and the acquisition has been reflected in these Consolidated Financial Statements as a business combination from the date of acquisition (Note 4.2)

In addition, other companies have been acquired during 2011 which have a less significant impact on the Consolidated Financial Statements (Note 4.2).

During 2010, the Group acquired several assets and companies belonging to the German automotive component group Edscha. This acquisition was reflected in these Consolidated Financial Statements as a business combination from the date of acquisition (Note 4.2).

**2. Basis of preparation of the financial statements**

**2.1 General information**

These financial statements are required by the EU Prospectus Directive, Annex I, 20 - 1 and have been prepared, in accordance with International Financial Reporting Standards (IFRS) issued by the International Accounting Standard Board (the IASB) as adopted by the European Union (“IFRS-EU”), solely for the purpose of complying with the EU Prospectus Directive on historical information that should be included in the “Prospectus” and for no other purpose. These consolidated financial statements have been derived from the consolidated financial statements for each of the years ended December 31, 2012, 2011, and 2010, which were already reported under IFRS-EU.

**2.2 True and fair view**

The consolidated financial statements for the year ended December 31, 2012 have been prepared in accordance with International Financial Reporting Standards (IFRS) adopted by the European Union and enacted in European Commission legislation in effect on December 31, 2012.



**GESTAMP AUTOMOCIÓN, S.A. AND SUBSIDIARIES**  
**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS**  
**FOR THE YEARS ENDED DECEMBER 31, 2012, 2011 AND 2010 (Continued)**

**2. Basis of preparation of the financial statements (Continued)**

The consolidated financial statements have been prepared on the basis of the accounting records of each group company as of December, 31 2012 and 2011. Each company prepares its Financial Statements in accordance with the accounting principles and standards in force in the country in which it operates; the required adjustments and reclassifications have been made in consolidation in order to harmonize the policies and methods used and to adapt them to IFRS.

**2.3 Basis of consolidation**

The consolidated financial statements comprise the financial statements of the parent company and subsidiaries as per December 31, 2012.

Subsidiaries are fully consolidated from the date on which the Group obtains control, and continue to be consolidated until the date on which control is transferred outside the Group. If the Group loses or relinquishes control of a subsidiary, the Consolidated Financial Statements include that subsidiary's results for the portion of the year during which the Group held control.

The breakdown of companies included in the consolidation scope, as well as information on the consolidation method applied, location, activity, direct or indirect shareholdings and their auditors, is shown in the Annex I.

The financial statements for the subsidiaries have the same financial year end as the parent's, (except for those mentioned on Annex I where an interim closing has been prepared for the purpose of including these companies in the Consolidated Financial Statements) and have been prepared using the same accounting standards.

The profit of a subsidiary is attributed to non-controlling interest even if it means recognizing a receivable balance.

Changes in percentage of ownership interest that do not represent loss of control are reflected as an equity transaction. When the Group loses control of a subsidiary it:

- Derecognizes assets (including goodwill) and liabilities of said subsidiary.
- Derecognizes carrying amount of non-controlling interests.
- Derecognizes the translation differences recognized in equity.
- Recognizes the fair value of the amount received for the transaction.
- Recognizes the fair value of any retained investment.
- Recognizes any excess or deficit in the consolidated income statement.
- Reclassifies the shareholding of the Company in the items previously recognized in "Other Comprehensive Income" to profit or to retained earnings, as appropriate.

*Subsidiaries*

The full consolidation method is used for companies meeting the following requirements:

- I. Companies in which the Company holds a direct or indirect interest of over 50%, which gives it more than half the voting rights on the entity's governing bodies.
- II. Companies over which the Company exercises effective management control, irrespective of the shareholding percentage, by virtue of holding the majority of voting rights on the entity's governing bodies.

**GESTAMP AUTOMOCIÓN, S.A. AND SUBSIDIARIES**  
**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS**  
**FOR THE YEARS ENDED DECEMBER 31, 2012, 2011 AND 2010 (Continued)**

**2. Basis of preparation of the financial statements (Continued)**

*Jointly controlled entities*

Jointly controlled entities or interests in joint ventures are consolidated using the proportionate consolidation method until the date on which the Group ceases to have joint control over the venture.

A jointly controlled entity is a business over which the Group exercises joint control.

*Associates*

Investments in which the Group has significant influence but not control or joint control have been consolidated under the equity method. For the purposes of the preparation of the accompanying financial statements, significant influence is deemed to exist in investments in which the Group, directly or indirectly, holds over 20% of the voting power, and in certain instances where the Group's holding is less than 20%, but significant influence can be clearly demonstrated.

Companies in which the Company's direct or indirect holding is between 20% and 50%, but in which it does not hold the majority of voting rights or in which it does not have effective control or joint control with another non-Group company, are consolidated using the equity method.

*Translation of the financial statements of foreign operations*

The assets and liabilities and income statements of foreign operations included in the consolidation scope whose functional currency is different from the presentation currency are translated to euro using the closing foreign exchange rates method as follows:

- The assets, rights, and liabilities of foreign operations are translated at the exchange rate prevailing at the consolidated balance sheet date.
- Income and expenses are translated using the average exchange rate, so long as that average is a reasonable approximation of the cumulative effect of the actual exchange rates prevailing at the transaction dates.

The differences between the net book value of equity of the foreign companies converted using historical exchange rates and including the net result from the income statement reflecting the above mentioned treatment of income and expenses in foreign currencies, and the net book value of equity resulting from the conversion of assets, rights and liabilities using the exchange rate prevailing at the consolidated balance sheet date, are registered as "Translation differences", with the corresponding negative or positive sign, in Equity in the Consolidated Balance Sheet (Note 16).

Exchange gains and losses due to the impact of changes in the functional currency relative to the euro on foreign currency borrowings considered permanent are taken directly to equity under "Translation differences", net of the tax effect. The net amount of positive translation differences, including the tax effect, at December 31, 2012, amounted to 8.2 million euros (2011: 17 million euros in negative translation differences; 2010: 42 million euros).

At December 31, 2012, 2011, and 2010 the subsidiaries held no equity units issued by the Company.

The effect of changes in foreign exchange rates, when presenting the statement of cash flows by indirect method, has been calculated considering an average for the year of Cash and cash equivalents and applying the change of foreign exchange rates at closing of each year.

*Transactions between companies included in the consolidation scope*

The following transactions and balances were eliminated in consolidation:

- Reciprocal receivables/payables and expenses/income relating to intra-Group transactions.
- Income from the purchase and sale of property, plant, and equipment as well as unrealized gains on inventories, if the amount is significant.

**GESTAMP AUTOMOCIÓN, S.A. AND SUBSIDIARIES**  
**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS**  
**FOR THE YEARS ENDED DECEMBER 31, 2012, 2011 AND 2010 (Continued)**

**2. Basis of preparation of the financial statements (Continued)**

- Intra-Group dividends and the debit balance corresponding to interim dividends recognized at the company that paid them.

*Non-controlling interest*

The value of non-controlling interests in the equity and profit (loss) for the year of consolidated subsidiaries consolidated by the full consolidation method is recognized in “Equity attributable to non-controlling interests” within the Consolidated Balance Sheet and in “Profit for the year attributable to non-controlling interests” in the Consolidated Income Statement and in “Non-controlling interests” in the Consolidated Statement of Comprehensive Income, respectively.

**2.4 Summary of significant accounting policies**

The principal accounting policies used in preparing the 2012, 2011, and 2010 consolidated financial statements were as follows:

**a) Foreign currency transactions**

*Functional and presentation currency*

Each entity in the Group determines its own functional currency, which is the currency of the primary economic environment in which it operates, and line items included in the financial statements of each entity are valued using that functional currency.

The consolidated financial statements are presented in thousands of euros, as the Euro is the Group’s presentation currency and the functional currency of the parent company.

*Transactions in foreign currency different to the functional currency of each company.*

Transactions in foreign currencies different to the functional currency of each company are translated to the Group’s functional currency at the exchange rate prevailing at the date of the transaction. Exchange gains and losses arising on the settlement of these transactions or on translating foreign currency denominated monetary assets and liabilities at closing rates are recognized in the Consolidated Income Statement.

**b) Property, plant and equipment**

Property, plant, and equipment is carried at either acquisition, transition cost to IFRS (January 1, 2007), or production cost, including all the costs and expenses directly related with assets acquired until ready for use, less accumulated depreciation and any impairment losses. Land is not depreciated and is presented net of any impairment charges.

Acquisition cost includes:

- Purchase Price.
- Discounts for prompt payment, which are deducted from the asset’s carrying value.
- Directly attributable costs incurred to ready the asset for use.

Prior to the IFRS transition date (January 1, 2007), certain Group companies revalued certain items of property, plant, and equipment as permitted under applicable legislation (Royal Decree-Law 7/1996, Basque regional law 6/1996 and several international laws). The amount of these revaluations is considered part of the cost of the assets as provided for under IAS 1.

At the transition date to EU-IFRSs (January 1, 2007), property, plant and equipment was measured at fair value at the said date, based on the appraisals of an independent expert, which generated a revaluation of Group assets (Note 7).

The carrying value of property, plant, and equipment acquired by means of a business combination is measured by its fair value at the moment of its incorporation into the Group (Note 2.4c).

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**2. Basis of preparation of the financial statements (Continued)**

Specific spare parts: certain major parts of some items of plant and equipment may require replacement at irregular intervals. The cost of these parts is capitalized when the part is replaced and depreciated over their estimated useful lives. The net carrying amount of replaced parts is retired with a charge to income when the replacement occurs.

Ordinary repair or maintenance work is not capitalized.

An item of property, plant, and equipment is retired upon disposal or when no future economic benefits are expected from its use or disposal. Any gain or loss arising on retirement of the asset (calculated as the difference between the net disposal proceeds and the net carrying amount of the asset) is included in the income statement in the year the asset is retired.

As permitted under revised IAS 23, borrowing costs directly attributable to the acquisition or development of a qualifying asset—an asset that takes more than one year to be ready for its intended use—are capitalized as part of the cost of the respective assets.

Annual depreciation is calculated using the straight-line method based on the estimated useful lives of the various assets.

The estimated useful lives of the various asset categories are:

	<b>Years of estimated useful life</b>
Buildings . . . . .	17 to 50
Plant and machinery . . . . .	3 to 15
Other plant, tools and furniture . . . . .	2 to 10
Other PP&E items . . . . .	4 to 10

The assets' residual values and useful lives are reviewed at each financial year end, and adjusted prospectively if revised expectations differ significantly from previous estimates.

**c) Business combinations and goodwill**

**Business combinations**

Business combinations are accounted for using the acquisition method. The acquisition cost is the sum of the total consideration transferred, measured at fair value at the acquisition date, and the amount of non-controlling interest of the acquired company, if any.

For each business combination, the Group measures the non-controlling interest in the acquiree either at fair value or at the proportionate share of the acquiree's identifiable net assets.

Acquisition costs incurred are registered under the heading "Other operating expenses" in the Consolidated Income Statement.

When the Group acquires a business, it assesses the financial assets and liabilities assumed for appropriate classification and designation in accordance with the contractual terms, economic circumstances and pertinent conditions as at the acquisition date, included the separation of implicit derivatives financial instruments of the main contracts of the acquired company.

**Goodwill**

Goodwill acquired in a business combination is initially measured, at the time of acquisition, at cost, that is, the excess of the total consideration paid for the business combination over the Company's interest in the net fair value of the identifiable assets, liabilities, and contingent liabilities of the acquired business.

For companies whose functional currency is different from the presentation currency, the value of the goodwill recognized is updated using the rate of exchange prevailing at the Consolidated Balance Sheet

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**2. Basis of preparation of the financial statements (Continued)**

date, recognizing in Translation differences the differences between beginning and ending balances, according to IAS 21, considered to be belonging to the acquired business assets.

If the Company's interest in the net fair value of the identifiable acquired assets, assumed liabilities, and contingent liabilities exceeds the cost of the business combination, the Company reconsiders the identification and measurement of the assets, liabilities, and contingent liabilities of the acquired company, as well as the measurement of the cost of the business combination when non monetary. The Company recognizes any excess that continues to exist after this reconsideration in the income statement.

After initial recognition, goodwill is measured at cost less any accumulated impairment losses. Goodwill is tested for impairment annually or more frequently if events or changes in circumstances indicate that the carrying amount may be impaired.

For the purpose of impairment testing, goodwill acquired in a business combination is, from the acquisition date, allocated to each of the Group's cash-generating units or groups of cash-generating units expected to benefit from the business combination's synergies, irrespective of any other Group assets or liabilities assigned to those units or groups of units.

Impairment is determined by assessing the recoverable amount of the cash-generating unit or groups of cash-generating units to which the goodwill relates. If the recoverable amount of the cash-generating unit or group of cash-generating units is less than the carrying amount, the Group recognizes an impairment loss (Note 2.4g).

**d) Jointly controlled entities**

The Group has several participations in jointly controlled entities, businesses over which the Group exercises joint control, where contractual agreements exist.

The contracts require that the agreement between the parties with respect the operating and financial decisions be unanimous. Jointly controlled entities are consolidated using the proportionate consolidation method.

The Group integrates in the Consolidated Financial Statements its shareholding percentage over the assets, liabilities, income and expenses of the joint venture in similar items.

The financial statements of the joint venture are prepared for the same period than the Group; the required adjustments and reclassifications have been made in consolidation in order to harmonize the policies and methods used by the Group.

The consolidated financial statements include the adjustments to eliminate their participation in balances, transactions and profits and losses between the Group and its joint venture. Transactions losses are recognized immediately if the loss reflects a reduction in the net realizable value of current assets or an impairment loss.

The joint venture is proportionately consolidated until the date that the Group ceases to exercise joint control over it. Once the joint control is ceased, the Group measures and recognizes investments held at fair value. Any difference between the carrying amount of the investment that was jointly controlled and the fair value of the investment held, including the sale income, is recognized in the Consolidated Income Statement.

Investments in which the Group has significant influence but not control or joint control, are consolidated under the equity method.

**e) Other intangible assets**

Other intangible assets acquired by the Group are measured at cost less accumulated amortization and any accumulated impairment losses.

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**2. Basis of preparation of the financial statements (Continued)**

An intangible asset is recognized only if it is probable that it will generate future benefits for the Group and that its cost can be reliably measured.

*Research and development costs*

Research costs are expensed as incurred.

Development expenditure is capitalized when the Group can demonstrate:

- the technical feasibility of completing the intangible asset so that it will be available for use or sale;
- its intention to complete and its ability to use or sell the resulting asset;
- its ability to use or sell the intangible asset;
- the economic and commercial profitability of the project is reasonably ensured;
- the availability of adequate technical and financial resources to complete and to use or sell the resulting asset; and
- its ability to measure reliably the expenditure during development.

Capitalized development costs are amortized over the period of expected future benefits.

*Concessions, patents, licenses and trademarks.*

These intangible assets are initially measured at acquisition cost. They are assessed as having a finite useful life and are accordingly carried at cost net of accumulated amortization. Amortization is calculated using the straight-line method, based on the estimated useful life, in all instances less than 5 years.

*Software*

Software is measured at acquisition cost.

Software acquired from third parties and capitalized is amortized over its useful life, which in no instance will exceed 5 years.

IT maintenance costs are expensed as incurred.

**f) Financial assets**

Financial assets are initially measured at fair value less any directly attributable transaction costs.

The Group classifies its financial assets, current and non-current, into the following categories:

- Financial assets at fair value, with changes through the income statement (held for trading).
- Held-to-maturity investments.
- Loans and receivables.
- Available-for-sale financial assets.
- Investments in associates accounted for using the equity method.

Classification depends on the purpose for which the financial assets were acquired. Management determines the classification of its financial assets upon initial recognition and reassesses this designation at each year end.



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**2. Basis of preparation of the financial statements (Continued)**

*Financial assets at fair value with changes through the income statement (held for trading)*

These are financial assets held for trading. Financial assets are classified as held for trading if they are acquired for the purpose of selling in the near term. This category includes derivative financial instruments, except those designated as hedging instruments in an effective hedge.

They are classified as non-current assets and are carried on the balance sheet at fair value. Changes in value of these assets are recognized in the Consolidated Income Statement as Financial gains or losses.

Fair value is the market price at the Consolidated Balance Sheet date.

*Held-to-maturity investments*

Financial assets with fixed or determinable payments and fixed maturities are classified as held-to-maturity when the Group has the positive intention and ability to hold them to maturity.

They are classified as non-current, except for those maturing in less than 12 months from the balance sheet date. They are carried at amortized cost using the effective interest method, less any impairment charges.

*Loans and receivables*

Loans and receivables are financial assets with fixed or determinable payments that are not quoted in an active market. They are classified as current, except for those maturing in more than 12 months from the balance sheet date.

They are carried at amortized cost using the effective interest method, less any impairment charges.

*Available-for-sale financial assets*

There are financial assets that are designated as available-for-sale or are not classified in any of the three preceding categories. They are classified as non-current unless management plans to dispose of them within 12 months from the balance sheet date.

They are measured at fair value at the balance sheet date. Unrealized gains or losses are recognized directly in equity until the investment is retired or is impaired, at which time the cumulative gain or loss recorded in equity is recognized in the Consolidated Income Statement.

*Investments in associates accounted for using the equity method*

Investments in associates, companies in which the Group has significant influence, are accounted for using the equity method.

According to the equity method, the investment is recognized initially at cost. From the acquisition date on, the carrying amount of the investment is adjusted in accordance with any changes in Group's interest in the associate. Goodwill related to the associate is included in the carrying amount of the investment and it is not amortized and no impairment test related is done.

If the resulting amount of the investment valuation is negative, the Group's investment in the associate is written down to zero in the consolidated balance sheet unless there is a commitment by the Group to replenish the company's equity, in which case the corresponding provision for contingencies and charges is recognized.

The share of the Group in profits of operations of associates is reflected in the Consolidated Income Statement. Where there has been a change recognized directly in equity by the associate, the Group recognizes its share of this change, when applicable, in "Other comprehensive Income" and discloses this, when applicable, in the consolidated statement of changes in equity.

Non-realized gains or losses resulting from transactions between the Group and the associate corresponding to the share of the Group in the associate are eliminated.

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**2. Basis of preparation of the financial statements (Continued)**

The share of the Group in profits of associates is reflected directly in the consolidated income statement and represents profit after taxes and non-controlling interests.

Financial statements of the associate are prepared for the same period that for the Group and with all necessary adjustments in order to homogenize to Group's accounting policies.

After using the equity method, the Group decides if impairment losses on investments in associates have to be recognized. At closing date, the Group consider if there is evidence of impairment of the investment in the associate and if so, the impairment is calculated as the difference between the recoverable value and the carrying amount of the associate and the amount of such impairment is recognized in "Share of profits from associates- equity method" in the consolidated income statement.

When the significant influence of the Group in the associate ceases, the Group recognizes the investment at its fair value. Any difference between the carrying amount of the associate upon loss of significant influence and the fair value of the investment plus the income for sale is recognized in the consolidated income statement.

*Derecognition of financial instruments*

The Group retires a transferred financial asset from the Consolidated Balance Sheet when it has transferred its rights to receive cash flows from the asset or, retaining these rights, when the Group has assumed a contractual obligation to pay the cash flows to a third party, and the Group has transferred substantially all the risks and rewards of ownership of the asset.

If the entity has retained substantially all the risks and rewards of ownership of the transferred asset, the entity does not retire the transferred asset from its balance sheet and recognizes a financial liability for the consideration received. This financial liability is subsequently measured at amortized cost. The transferred financial asset continues to be measured using the same criteria as prior to the transfer. In subsequent periods, the Group recognizes any income on the transferred asset and any expense incurred on the financial liability in the consolidated income statement. Such income and expense are not offset.

**g) Impairment of assets**

*Impairment of non-financial assets*

The Group assesses at each reporting date whether there is any indication that an asset may be impaired. If any indication exists, or when annual impairment testing for an asset is required, the Group estimates the asset's recoverable amount as either the group of assets' or cash-generating unit's fair value less costs to sell, or its value in use, whichever is higher.

A cash-generating unit (CGU) is the smallest identifiable group of assets that generates cash flows that are largely independent of the cash inflows from other assets.

When the carrying amount of an asset or CGU exceeds its recoverable amount, an impairment loss is recognized.

Impairment losses with respect to CGUs are allocated first to reduce the carrying amount of any goodwill allocated to the CGUs and, then, to reduce proportionally the carrying amount of the assets of the CGU unless, based on a review of the individual assets, it is considered that their fair value less costs to sell is higher than their carrying amount.

When assessing value in use, estimated future cash-flows are discounted to present value by using a pre-tax discount rate that reflects current market valuations of money and risks specific to the asset. For calculating the fair value of the asset less costs to sell, recent transactions are considered and if they cannot be identified, a proper valuation method is used. These calculations are based on several considerations, market prices and other available indicators of the fair value.



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**2. Basis of preparation of the financial statements (Continued)**

The calculation of impairment is based on detailed budgets and forecasts separately prepared for each CGU to which the asset is allocated. Those budgets and forecasts refer to a five-year period and for longer periods a long-term growing rate is calculated and used for estimating cash-flows after the fifth year.

The impairment losses from continued operations, including impairment of inventories, are recognized in the consolidated income statement in the expenses related to the function of the impaired asset.

For all assets except goodwill, an assessment is made every year to see if there is evidence that the impairment registered in previous years has been reduced or has disappeared. In such case, the Group estimates the recoverable value of the asset or the CGU.

A previously recognized impairment loss is reversed, with the reversal recognized in the income statement, if there has been a change in the assumptions used to determine the asset's recoverable amount. The restated recoverable amount of the asset cannot exceed the carrying amount that would have been determined had no impairment loss been recognized.

The following assets present specific characteristics when assessing their impairment:

*Goodwill*

At year end as well as when there is evidence that goodwill may be impaired, it is tested for impairment.

The impairment tests for the goodwill assess the recoverable value of each CGU which it has been allocated to it. If the recoverable value of the CGU is lower than the goodwill's carrying amount, an impairment loss is registered.

Goodwill impairment losses cannot be reversed in future periods.

*Intangible assets*

The Group has implemented annual procedures to test intangible assets with indefinite useful life for impairment. This assessment is carried out for each of the CGUs or groups of CGUs, as well as when there is evidence that intangible assets may be impaired.

*Impairment of financial assets*

The reduction in the fair value of available-for-sale financial assets that has been recognized directly in equity when there is objective evidence of impairment must be recognized in the consolidated income statement for the year. The cumulative loss recognized in the income statement is measured as the difference between the acquisition cost and current fair value.

Once an equity investment classified as available-for-sale has been impaired, any increase in value is registered in "Other comprehensive income" with no effect on the profit or loss for the year.

In the case of debt instruments classified as available-for-sale assets, if the fair value of an impaired debt instrument subsequently increases and the increase can be objectively related to an event occurring after the impairment loss was recognized in the income statement, the impairment loss is reversed through the income statement.

The recoverable amount of held-to-maturity investments and loans and receivables carried at amortized cost is calculated as the present value of the expected future cash flows discounted at the original effective interest rate. The carrying amount of the asset is reduced through use of an allowance account and the amount of the loss is recognized in the consolidated income statement. Current investments are not discounted to present value.

Impairment losses on loans and receivables carried at amortized cost are reversed if the subsequent increase in the recoverable amount can be objectively related to an event occurring after the impairment loss was recognized.

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**2. Basis of preparation of the financial statements (Continued)**

***h) Trade and other receivables***

Accounts receivable from customers are measured in the accompanying Consolidated Balance Sheet at nominal value.

Discounted bills pending maturity at year end are included in the accompanying consolidated balance sheets under "Trade receivables," with a balancing entry in "Interest-bearing loans and borrowings". The balances transferred to banks as Non-Recourse Factoring are not included in "Trade receivables" since all risks related to them have been transferred to the bank.

The Group recognizes impairment allowances on balances past-due over certain periods, or when other circumstances warrant their classification as impaired.

***i) Inventories***

Inventories are valued at the lower of acquisition or production cost and net realizable value.

Cost includes all expenses derived from the acquisition and transformation of inventories, including any other expenses incurred to bring them to their present condition and location.

Inventories have been valued using the average weighted cost method.

When inventories are deemed impaired, their initially recognized value is written down to net realizable value (selling price less estimated costs of completion and sale).

***j) Tools made to customer order***

A construction contract is a contract specifically negotiated with a customer for the construction of an asset or a combination of assets that are closely interrelated or interdependent in terms of their design, technology and function or their ultimate purpose or use.

When the outcome of a construction contract can be estimated reliably, contract revenue and contract costs associated with the construction contract are recognized by reference to the stage of completion of the contract activity at the balance sheet date (Note 2.4q).

Where the outcome of a construction contract cannot be estimated reliably, revenue is recognized to the extent that contract costs incurred are expected to be recoverable.

Based on its experience and Group estimates, with rare exceptions, management does not expect to incur losses, which have not been recognized on these Financial Statements, on the definitive settlement of the tool manufacture contracts in progress at December 31, 2012, 2011 and 2010.

In the exceptional cases where there are contract costs that may not be recovered, no revenue is recognized and all amounts of such costs are recognized as an expense immediately.

Customer advances received reflect billing milestones and not necessarily the stage of completion of the contract.

Tools-in-progress measured using the stage of completion method are recognized under "Trade receivables" net of customer advances with a balancing entry to "Revenue from tool sales".

***k) Cash and cash equivalents***

Cash and cash equivalents comprise cash on hand and demand deposits, together with short-term, highly liquid investments that are subject to an insignificant risk of changes in value. An investment is considered a cash equivalent when it has a maturity of three months or less from the date of acquisition or establishment.

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**2. Basis of preparation of the financial statements (Continued)**

***l) Government grants***

Government grants are recognized at fair value where there is reasonable assurance that the grant will be received and all attached conditions will be complied with.

Where the grant relates to an asset, it is recognized as deferred income in the consolidated balance sheet and released to income over the expected useful life of the related asset.

When the grant relates to income, it is recognized directly in the Consolidated Income Statement.

***m) Financial liabilities (trade and other payables and borrowings)***

Financial liabilities are initially recognized at fair value less attributable transaction costs. After initial recognition, interest-bearing loans and borrowings are subsequently measured at amortized cost, measured as the difference between their cost and redemption value, using the effective interest rate method.

Liabilities maturing in less than 12 months from the consolidated balance sheet date are classified as current, while those with longer maturity periods are classified as non-current.

A financial liability is retired when the obligation under the liability is discharged, cancelled or expires.

***n) Provisions and contingent liabilities***

Provisions are recognized when the Group has a present obligation (legal or implicit) as a result of past events, and it is probable that an outflow of resources will be required to settle the obligation, and when a reliable estimate can be made of the amount of the obligation.

Provisions are reviewed at each consolidated balance sheet date and adjusted to reflect the current best estimate of the liability.

Headcount restructuring provisions are stated at the amount of expenses expected to arise from the restructuring and any other expenses not associated with the entity's day-to-day business.

Headcount restructuring provisions are only recognized when there is a formal plan identifying the affected business, the main locations affected, the employees to receive redundancy payments, the outlays to be incurred, when it will be implemented, and when the entity has raised a valid expectation that it will carry out the restructuring and those affected have been informed.

The provisions are determined by discounting expected future cash outlays using the pre-tax market rate and, where appropriate, the risks specific to the liability. This method is only applied if the effects are significant. When discounting is used, the increase in the provision due to the passage of time is recognized as a financial expense.

Contingent liabilities are potential obligations that arise from past events whose existence will be confirmed only by the occurrence or non-occurrence of one or more uncertain future events not within the control of the Group, as well as present obligations arising from past events, the amount of which cannot be reliably estimated or whose settlement may not require an outflow of resources.

***o) Employee benefits***

The Group has assumed pension commitments for some companies belonging to the Edscha and the Gestamp Metal Forming Subgroups located in Germany and France (Note 21).

The group classifies its pension commitments depending on their nature in defined contribution plans and defined benefit plans. Defined contribution plans are post-employment benefit plans under which the company pays fixed contributions into a separate entity (insurance company or pension plan), and will have no legal or constructive obligation to pay further contributions if the separate company does not carry out its assumed commitments. Defined benefit plans are post-employment benefit plans other than defined contribution plans.

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**2. Basis of preparation of the financial statements (Continued)**

*Defined contribution plans*

The Group carries out predetermined contributions into a separate entity (insurance company or pension plan), and will have no legal or implicit obligation to pay further contributions if the separate company does not have enough assets to attend employee benefits related to their services rendered in current and previous years.

The contributions made to defined contribution plans are recognized in profit and loss according to accrual principle.

*Defined benefit plans*

For defined benefit plans, the cost of providing these benefits is determined separately for each plan using the projected unit credit method. The projected unit credit method is used to make reliable estimates of the ultimate cost to the entity of the benefit that employees have earned in return for their service in the current and prior periods. The actuarial gains and losses are recognized in OCI (Other Comprehensive Income) when incurred. In subsequent years, these actuarial gains and losses are registered in reserves, and are not reclassified in profit and loss.

The amounts to be recognized in profit and loss are:

- Current service cost.
- Any past service cost and gains or losses upon payment.
- Net interest on the net defined benefit liability (asset) which is determined by applying the discount rate to the net defined benefit liability (asset).

The past service costs will be recognized as expenses at the earlier of the following dates (i) in the period when the plan is amended or curtailment occurs (ii) when the Group recognizes related restructuring costs or benefits of termination.

The net defined benefit liability (asset) is the deficit or surplus, detailed below, adjusted for any effect of limiting a net defined benefit asset to the asset ceiling. The asset ceiling is the present value of any economic benefits available in the form of refunds from the plan or reductions in future contributions to the plan.

The rate used to discount post-employment benefit obligations shall be determined by reference to market yields at the end of the reporting period on high quality corporate bonds.

The deficit or surplus is:

- The present value of the defined benefit obligation.
- Less the fair value of plan assets (if any).

Plan assets comprise assets held by a long-term employee benefit fund, and qualifying insurance policies. These assets are not available to the reporting entity's own creditors and cannot be returned to the reporting entity. Fair value is based on market price and in case of stock market values, it corresponds to published prices.

Indemnities to pay to employees dismissed through no fault of their own are calculated based on years of service. Any expenses incurred for indemnities are charged to the Consolidated Income Statement as soon as they are known.

**p) Leases**

Leases in which all the risks and benefits associated with ownership of the asset are substantially transferred are classified as finance leases.

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**2. Basis of preparation of the financial statements (Continued)**

Assets acquired under financial lease arrangements are recognized, based on their nature, at the lower of the fair value of the leased item and the present value of the minimum lease payments at the outset of the lease term. A financial liability is recognized for the same amount. Lease payments are apportioned between finance charges and reduction of the lease liability. Leased assets are depreciated, impaired, and retired using the same criteria applied to assets of a similar nature

Leases where the lessor substantially retains all the risks and benefits of ownership of the asset are classified as operating leases. Operating lease payments are recognized as an expense in the Consolidated Income Statement on a straight line basis over the lease term.

**q) Revenue and expense recognition**

Revenue and expenses are recognized when products are delivered or services are provided, regardless of when actual payment or collection occurs.

Revenue is recognized at fair value of the balancing entry, defining fair value as the amount for which an asset could be exchanged, or a liability settled, between knowledgeable, willing parties in an arm's length transaction, taking into account the amount of any discounts or rebates provided.

Revenue includes:

- Sale of goods: Revenue from the sale of goods is recognized when the following conditions have been met:
  - the Group has transferred to the buyer the significant risks and rewards of ownership of the goods;
  - the Group retains neither continuing managerial involvement to the degree usually associated with ownership nor effective control over the goods sold;
  - the amount of revenue can be measured reliably;
  - it is probable that the economic benefits associated with the transaction will flow to the Group;
  - the costs incurred or to be incurred in respect of the transaction can be reliably measured.
- Manufacture of tools for third party sale and rendering of services: revenue arising from the manufacture of tools for sale to third parties and the rendering of services are recognized by reference to the stage of completion of the transaction at the reporting date—stage of completion method (Note 2.4j).
- Interest, royalties, and dividends: interest revenue is recognized as interest accrues taking into account the effective return of the asset (using the effective interest method, i.e., the rate that makes discounted future cash receipts through the expected life of the financial instrument equal to the initial carrying amount of the asset).

Royalties are recognized on an accrual basis in accordance with the substance of the relevant agreement.

Dividends are recognized when the shareholder's right to receive payment is established.

Expenses are recognized when there is a decrease in the value of an asset or an increase in the value of a liability that can be measured reliably, and they are recognized during the period in which they are incurred.

**r) Income tax**

The income tax recognized in the Consolidated Income Statement includes current and deferred income tax.

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**2. Basis of preparation of the financial statements (Continued)**

Income tax expense is recognized in the Consolidated Income Statement except for current income tax relating to line items in shareholders' equity, which is recognized in equity and not in the income statement.

*Current tax*

Current tax expense is the amount of income taxes payable in respect of the taxable profit for the year and is calculated based on net profit for the year before deducting tax expense (accounting profit), increased or decreased, as appropriate, by permanent and temporary differences between accounting and taxable profit as provided for in prevailing tax legislation.

*Tax credits*

The carry forward of unused tax credits and tax losses is recognized as a reduction in tax expense, unless there is reasonable doubt as to their realization, in which case they are not capitalized and are considered as a decrease in income tax expense in the year in which they are applied or offset.

*Temporary differences*

Deferred tax liabilities: a deferred tax liability is recognized for all taxable temporary differences, except to the extent that the deferred tax liability arises from the initial recognition of goodwill or the initial recognition of an asset or liability in a transaction which is not a business combination and which, at the time of the transaction, affects neither the accounting nor the fiscal result.

Deferred tax assets: a deferred tax asset is recognized for all deductible temporary differences to the extent that it is probable that taxable profit will be available against which the deductible temporary difference can be utilized, unless the deferred tax asset arises from the initial recognition of an asset or liability in a transaction that is not a business combination and which, at the time of the transaction, affects neither the accounting nor the fiscal result.

**s) *Derivative financial instruments***

The Company has arranged cash flow (interest rate) hedges through entities that operate on organized markets. These instruments are used to hedge exposure to fluctuations in floating interest rates on a portion of the bank loans granted to the Company and on a portion of expected future borrowings.

In addition, the Company holds hedges contracted for net foreign investments to cover the exposure to changes in exchange rates with respect to the interest in the net assets of foreign operations.

These financial derivatives hedging cash flow and net foreign investments are initially recognized in the Consolidated Balance Sheet at acquisition cost and, subsequently, they are marked to market.

Any gains or losses arising from changes in the market value of derivatives in respect of the ineffective portion of an effective hedge are taken directly to the consolidated income statement, while gains or losses on the effective portion are recognized in "Effective hedges" within "Retained earnings" with respect to cash flow hedges, and in "Translation differences" with respect to net foreign investment hedges. The cumulative gain or loss recognized in equity is taken to the Consolidated Income Statement when the hedged item affects profit or loss or in the year of disposal of the item.

Derivatives are recognized as assets when the fair value is positive and as liabilities when the fair value is negative.

**t) *Related parties***

The Group considers its direct and indirect shareholders, its associated companies, its directors and its officers as related parties.



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**2. Basis of preparation of the financial statements (Continued)**

Companies belonging to the majority shareholder of the Company are also considered related parties.

**u) Environmental issues**

Expenses relating to decontamination and restoration work in polluted areas, as well as the elimination of waste and other expenses incurred to comply with the environmental protection legislation, are registered in the year they are incurred, unless they correspond to the acquisition cost of assets to be used over an extended period. In this case, they are recognized in the corresponding heading under “Property, plant, and equipment” and are depreciated using the same criteria described in Note 2.4b above.

Estimable amounts of contingent liabilities for environmental issues, if any, would be provisioned as a liability in Consolidated Balance Sheet.

**2.5 Changes in accounting policies and disclosures**

**a) Standards and interpretations adopted by the European Union this financial year**

The accounting policies used in the preparation of the Consolidated Financial Statements for the year ended December 31, 2012 are the same applied to the Consolidated Financial Statements for the year ended December 31, 2011, except for the following standards and interpretations, which are applicable beginning on January 1, 2012:

- Amendment to IFRS 7 “Disclosures—Transfers of financial assets”: Applicable for financial years beginning July 1, 2011 or thereafter. Adoption of this amendment did not have any impact in the Group’s Consolidated Financial Statements.

**b) Standards and interpretations adopted by the European Union that need not be mandatorily applied in 2012**

At the date of publication of these Consolidated Financial Statements, the following standards, amendments and interpretation had been published by the IASB and approved by the European Union, but were not mandatory:

- Amendments to IAS 1 “Presentation of Items of Other Comprehensive Income”: Effective from years beginning July 1, 2012.
- IAS 19 (revised)—“Employee Benefits”: Effective from years beginning July 1, 2013.
- IFRS 10 “Consolidated Financial Statements”: Effective from years beginning January 1, 2014.
- IFRS 11 “Joint Agreements”: Effective from years beginning January 1, 2014.
- IFRS 12 “Disclosure of Interests in Other Entities”: Effective from years beginning January 1, 2014.
- IFRS 13 “Fair Value Measurement”: Effective from years beginning January 1, 2013.
- Amendment to IAS 28: “Investments in Associates and Joint Ventures”: Effective from years beginning January 1, 2014.
- IFRIC 20 “Stripping Costs in the Production Phase of a Surface Mine.” Effective from years beginning January 1, 2013.
- Amendments to IAS 32 “Offsetting Financial Assets and Financial Liabilities”: Effective from years beginning January 1, 2014.
- Amendments to IFRS 7 “Disclosures—Offsetting Financial Assets and Financial Liabilities”: Effective from years beginning January 1, 2013.
- Amendment to IAS 12 “Deferred taxes—Recovery of underlying assets”: Effective from years beginning January 1, 2013.

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**2. Basis of preparation of the financial statements (Continued)**

The Group is currently analyzing the impact of applying these new standards, amendments, and interpretations. Based on the analyses carried out to date, the Group considers that the application of these standards and amendments will not have a significant impact on the Consolidated Financial Statements in the initial period of application.

**c) Standards and interpretations issued by the IASB and not yet approved by the European Union**

At the date of publication of these Consolidated Financial Statements, the following IFRSs and amendments had been issued by the IASB but were not mandatory and had not been approved by the European Union:

- IFRS 9 “Financial Instruments” and amendments to IFRS 9 and IFRS 7 “Mandatory Effective Date and Transition Disclosures”: Effective from years beginning January 1, 2015.
- Improvements to IFRS: Effective from years beginning January 1, 2013.
- Amendments to IFRS 10, IFRS 11 and IFRS 12. Effective from years beginning January 1, 2013.
- Amendment to IFRS 10, IFRS 11 and NIC 27 “Investment entities”. Effective from years beginning January 1, 2014.

The Group is currently analyzing the impact of applying these new standards, amendments, and interpretations. Based on the analyses carried out to date, the Group considers that the application of these standards and amendments will not have a significant impact on the Consolidated Financial Statements in the initial period of application.

**3. Significant accounting judgments, estimates, and assumptions**

The preparation of the accompanying Consolidated Financial Statements under IFRS requires management to make judgments, estimates, and assumptions that affect:

- The reported amounts of assets and liabilities.
- The disclosure of contingent assets and liabilities at the reporting date.
- The reported amounts of revenue and expenses throughout the year.

The key estimates and assumptions that have a significant impact on the accompanying Consolidated Financial Statements are as follows:

- The valuation of assets and goodwill for the purposes of determining any impairment losses.
- Specifically in relation to the assumptions used to estimate EBITDA at the CGUs, management used the most conservative scenarios so that adjustments to carrying amounts in this regard are considered unlikely (Note 2.4g).
- At the transition date, the fair value of the Group’s land and buildings was determined by an independent appraiser (Note 2.4b).
- The likelihood and quantification of indeterminate and contingent liabilities (Note 2.4n).
- Calculation of income tax expense and recognition of deferred tax assets: the correct measurement of income tax expense depends on a number of factors, including timing estimates in relation to the application of deferred tax assets and the accrual of income tax payments. The actual timing of payments and collections could differ from these estimates as a result of changes in tax regulations or in planned/future transactions with an impact on the tax base of the Group’s assets.

Although these estimates have been made based on the best information available regarding the facts analyzed at the reporting date, events may occur in the future that require adjustments to be made prospectively in subsequent years to reflect the effect of the revised estimates. Nevertheless, management



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**3. Significant accounting judgments, estimates, and assumptions (Continued)**

does not expect any such adjustments to have a material impact on its future Consolidated Financial Statements.

In terms of current and non-current provisions (Note 20), the Group did not change any of the estimates used to calculate these balances under IFRS.

**4. Changes in consolidation scope and business combinations**

**4.1 Changes in consolidation scope**

In 2012, the group companies Gestamp Autocomponents (Shenyang), Co. Ltd., Gestamp West Virginia, Llc. and Gestamp Autocomponents (Dongguan), Co. Ltd. have been included in the consolidation scope upon their formation.

In addition, during 2012, the company Edscha Automotive Components Co., Ltd., was included in the consolidation scope upon its formation. Gestamp Finance Slovakia, S.R.O., and Edscha Kunststofftechnik, GmbH. (previously, Edscha Services, GmbH.) were acquired in previous years but due to their immateriality had not been included in the consolidation scope until 2012. These companies belong to the Edscha Subgroup.

On July 06, 2012 the company Gestión Global de Matricería, S.L. was formed, and the Company subscribed to 35% of its share capital. Additionally, through a purchase agreement, Gestión Global de Matricería, S.L., acquired the 100% of the share capital of Ingeniería y Construcción Matrices, S.A. and IxCxT, S.A. These companies are consolidated using the equity method.

The contribution to the Group's assets and revenue at December 31, 2012, related to the companies referred to in the previous paragraphs, was 110,993 thousand euros and 420 thousand euros respectively, as well as 971 thousand euros of losses.

On July 10, 2012 the company Tallent Automotive, Ltd., which belongs to the Gestamp Metal Forming Subgroup, signed the sale of 100% of the share capital of GMF Otomotiv Parçaları Sanayi ve Ticaret Limited Sirketi to the group company Beyçelik, A.S. As a consequence, the company is now via joint control and the consolidation method changed from full to proportionate consolidation.

In 2012, the group companies Gestamp Tooling Overseas Design India, Ltd., Gestamp Paraná, S.A., and GMF Umformtechnik, GmbH. changed their names to Gestamp Services India Private, Ltd., Gestamp Brasil Industria de Autopeças, S.A., and Gestamp Umformtechnik, GmbH., respectively.

During this period, the group companies Continental Group, Ltd. and Gestamp Tooling Overseas, Ltd., were dissolved. No significant effects resulted from their dissolution.

In addition, Gestamp Tool Hardening, S.L. acquired 20% of the share capital of Bero Tools, S.L and 38% of the share capital of Diede Die Developments S.L

In August 2012, both the Company and Gestamp Servicios, S.L. have registered the change of their legal names, from limited company to corporation, and so have been renamed as Gestamp Automoción, S.A and Gestamp Servicios, S.A., upon the approval of the new statutes.

On September 14, 2012 Gestamp Stadco Holding, S.L. has merged into Todlem, S.L.

In 2011 the following companies and subgroups were incorporated into the consolidation scope:

- Ocon Automated Systems, S.L
- Gestamp Togliatti, LLC.
- Edscha Automotive Michigan, Inc.
- Edscha Togliatti, LLC.
- Gestamp Metal Forming Subgroup (Note 4.2)

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**4. Changes in consolidation scope and business combinations (Continued)**

- Gestamp Sungwoo Stampings & Assemblies Private Limited.
- Essa Palau, S.A.
- Gestamp North Europe Services, S.L.
- Loire Sociedad Anónima Franco Española (Note 4.2)
- Bero Tools, S.L.
- Diede Die Developments, S.L.
- Gestamp Louny S.R.O.

Ocon Automated Systems, S.L. and Gestamp Louny, S.R.O. were acquired in previous years but had not been included in the consolidation scope based on their immateriality in previous years.

Gestamp Togliatti LLC., Edscha Automotive Michigan, Inc., Edscha Togliatti, LLC. and Gestamp Sungwoo Stampings & Assemblies Private Limited, have been included in the consolidation scope by means of incorporation. The Gestamp Metal Forming Subgroup, Gestamp North Europe Services, S.L., Loire Sociedad Anónima Franco Española, Bero Tools S.L. and Diede Die Developments S.L. and Essa Palau, S.A. were acquired in the third quarter of the year. Of the latter has acquired 40% of the outstanding capital stock which is consolidated by the equity method.

In 2011 the Group acquired the remaining 60% of the outstanding shares of ALHC, LLC., sole shareholder of Gestamp South Carolina, LLC., for 8,806 thousand euros (12,728 thousand dollars), attaining thus 100% ownership in both companies. As a result, the consolidation method changed in 2011 from equity method to full consolidation (Note 4.2).

The contribution to the Group's assets and revenue from the new companies included in the consolidation scope in the year ended December 31, 2011 was 856,768 and 674,376 thousand euros respectively, as well as 16,622 thousand euros of profit and 7,632 thousand euros of losses.

The Griwe Subgroup did not subscribe pro rata to the capital increase carried out by Group Company GS Hot-Stamping Co. Ltd. and its shareholding in that company decreased as a result from 60% to 50%. As a consequence, governance of the company is now via joint control and the consolidation method has been changed from full to proportionate consolidation.

In 2011, the company Gestamp Sungwoo Automotive (Chennai) Private Limited changed its name to Gestamp Sungwoo Hitech (Chennai) Private Limited.

In 2011, the company Gestamp Servicios Administrativos de Brasil, S.A. was dissolved.

In addition, the following mergers took place in 2011:

- MB Hidroacero, S.A. and MB Navarra, S.A.; the Financial Statements of the latter have been included in those of the former and the merged company's name was changed to Gestamp Navarra, S.A.
- Gestamp Manufacturing Autochasis, S.L. and Gestamp Taval España, S.L.; the Financial Statements of the latter have been included in those of the former.

In 2010 the following companies and subgroups were incorporated into the consolidation scope:

- Gestamp Taval España, S.L.
- Edscha Subgroup (Note 4.2).
- GS Hot-Stamping Co. Ltd.
- Gestamp Global Tooling, S.L.
- Gestamp Tool Hardening, S.L.

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**4. Changes in consolidation scope and business combinations (Continued)**

Gestamp Taval España, S.L. and Edscha Subgroup (Note 4.2) were incorporated into the consolidation scope via both acquisition and new company formations. Gestamp Taval España, S.L. joined the Group by means of an acquisition in a prior years, but was not included in the consolidation scope until the year 2010 because of its lack of activity in previous years.

GS Hot-Stamping Co. Ltd., Gestamp Global Tooling, S.L. and Gestamp Tool Hardening, S.L. were incorporated into the consolidation scope via new company formations. GS Hot-Stamping Co. Ltd. was formed in a prior years but was not included in the consolidation perimeter until 2010 because of its lack of activity until then.

During the year 2010, the following companies changed their names:

- Gestamp Marelli Autochasis, S.L. was renamed as Gestamp Manufacturing Autochasis, S.L.
- Stadco, LLC. was renamed as Gestamp Severstal Vsevolozhsk, LLC.

The contribution to the Group's assets and revenue from the companies incorporated into the consolidation scope as of December 31, 2010 was 460,603 and 498,911 thousand euros respectively; contribution to profit was 58,904 thousand euros, mainly related to the Edscha Subgroup (Note 4.2).

In 2010 the subsidiary Automotive Stamping & Assemblies, Ltd was sold and Gestamp Immobiliere EURL was dissolved. In addition, the Group increased its investment in Gestamp Sungwoo Automotive, Ltd. to 50% of this company's share capital; as a consequence the company's consolidated method applied for this company was changed as of January 1, 2010 from the equity method to proportionate consolidation. The Group also increased its investment in Gestamp Manufacturing Autochasis, S.L. from 50% to 100% and consequently as of July 1, 2010, so the Group changed from proportionate consolidation to full consolidation of this subsidiary.

Finally, in 2010 the Brazilian companies Gestamp Taubaté, S.A. and Gestamp Gravataí Industria Autopeças, S.A. merged into Gestamp Paraná, S.A. the surviving company.

**4.2 Business combinations**

**Acquisitions in 2012**

There has not been any business combination during 2012

**Acquisitions in 2011**

**Gestamp Metal Forming Subgroup**

On April 28, 2011 the Group company Metalbages, S.A. signed a sale and purchase agreement with ThyssenKrupp for the acquisition of 100% of the share capital of certain companies of the Metal Forming business unit of the ThyssenKrupp Group. Closing of the acquisition was subject to obtaining certain regulatory approvals.

After having received the required approvals, as of July 20, 2011 the Company consummated the aforementioned acquisition via GMF Holding GmbH, which had been newly incorporated on June 2, 2011 with domicile in Remscheid, Germany. The companies acquired from the Thyssen Krupp Metal Forming business unit are domiciled in several European countries (Germany, France and the United Kingdom). In acquiring these companies the Group assumed the contracts with clients and suppliers, the staff and the shareholdings in companies located in Spain, the United Kingdom, Poland and Turkey. The newly acquired companies were incorporated into the Group consolidation scope as of July 31, 2011.

Subsequently, on December 2, 2011, after receiving the relevant regulatory approvals, GMF Holding GmbH acquired one additional company, based in China, which had also belonged to the Metal Forming business unit of ThyssenKrupp Group, denominated GMF Wuhan, Ltd.

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**4. Changes in consolidation scope and business combinations (Continued)**

The Metal Forming business unit is one of the main producers of body components—principally chassis structures. As such this transaction improves the Group’s market position worldwide in chassis structures, enhances the diversification of the Group’s customer base, as well as increasing economies of scale and technological improvements.

Approximately, 98% of the total revenue of the Gestamp Metal Forming Subgroup derived from the European Union.

The fair value of the assets and liabilities of the Gestamp Metal Forming Subgroup as of July 31, 2011, the date of its incorporation into the consolidation, and as of November 30, 2011 for GMF Wuhan, Ltd. was as follows:

<u>Assets</u>	<u>Thousands of euros</u>
Intangible assets (Note 6) . . . . .	4,360
Property, plant and equipment	
Land and buildings . . . . .	65,769
Plant and other PP&E . . . . .	221,571
Deferred tax assets . . . . .	9,309
Inventories . . . . .	99,816
Trade receivables . . . . .	242,334
Cash and cash equivalents . . . . .	44,999
Other assets . . . . .	28,092
	<u>716,251</u>
<u>Liabilities</u>	<u>Thousands of euros</u>
Non-current provisions . . . . .	74,024
Other non-current liabilities . . . . .	77
Deferred tax liabilities . . . . .	10,933
Current provisions (Note 20) . . . . .	12,680
Other current liabilities . . . . .	3,888
Trade accounts payable . . . . .	227,905
Other liabilities . . . . .	307
	<u>329,815</u>
Net assets . . . . .	386,436
Total consideration . . . . .	383,820
Net effect of business combination . . . . .	2,616

The cost of the acquisition amounted to 383,820 thousand euros, of which 195,267 thousand euros correspond to the purchase of the companies’ shares and 188,553 thousand euros to the assumption of debts. Of the total consideration, 358,820 thousand euros was paid in cash by GMF Holding GmbH. and Gestamp Auto Components (Kunshan), Co., Ltd.

In addition, 25,000 thousand euros was deferred until the year 2012. There are no outstanding payments at December 31, 2012.

Transaction related expenses amounted to approximately 578 thousand euros.

No goodwill arose from the acquisition and there are no significant contingent payments. The net effect of the business combination has been recognized under “Other operating expenses” in the Consolidated Income Statement as of December 31, 2011 (Note 26.c).

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**4. Changes in consolidation scope and business combinations (Continued)**

The revenue and net result of the acquired businesses reflected in the consolidated financial statements from the date of incorporation into the consolidation scope to December 31, 2011 amounted to 518,725 thousand euros and 3,237 thousand euros in losses, respectively, including the net effect on income of the business combination amounting to 2,616 thousand euros. The headcount of this newly incorporated business unit amounted to approximately 4,430.

In December 2011, Tocqueville Capital Company B.V., became a 49.06% non-controlling interest shareholder in GMF Holding GmbH via subscription of a capital increase (Note 17).

*Loire S.A. Franco Española*

On August 4, 2011 the Group Company Gestamp Manufacturing Autochasis, S.L. signed a sale and purchase agreement for the acquisition of 100% of the share capital of Loire, S.A. Franco Española, subject to certain conditions precedent. These conditions were satisfied on October 3, 2011, which became the effective legal date of acquisition.

The acquired company is domiciled in Hernani (Guipúzcoa) and its corporate purpose is the manufacturing and sale of machinery for sheet metal cutting and stamping.

At the date of the acquisition, Loire S.A. Franco Española owns 80% of Bero Tools, S.L., a holding company which owns 62% of Diede Die Developments, S.L., a tooling/die manufacturer. During 2012 the subsidiary Gestamp Tool Hardening S.L. has acquired the remaining 20% of Bero Tools, s.l., and 38% of Diede Die Developments, S.L.

The fair value of the assets and liabilities of Loire S.A. Franco Española, considering its shareholding in Bero Tools, S.L. and its indirect participation in Diede Die Developments, S.L., as of September 30, 2011 (the date of inclusion of these companies into the consolidation scope), is as follows:

	Thousands of euros
Assets	
Intangible assets (Note 6) . . . . .	1,568
Property, land and equipment	
Land and buildings . . . . .	4,845
Plant and other PP&E . . . . .	3,961
Deferred tax assets . . . . .	707
Inventories . . . . .	21,178
Trade receivables . . . . .	5,756
Cash and cash equivalents . . . . .	3,241
Other assets . . . . .	898
	<u>42,154</u>
Liabilities	
Non-controlling interests . . . . .	568
Other non-current liabilities . . . . .	3,820
Deferred tax liabilities . . . . .	1,423
Current provisions (Note 20) . . . . .	336
Other current liabilities . . . . .	947
Trade accounts payable . . . . .	24,003
Other liabilities . . . . .	1,338
	<u>32,435</u>
Net assets . . . . .	9,719
Total consideration . . . . .	5,702
Net effect of business combination . . . . .	4,017

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**4. Changes in consolidation scope and business combinations (Continued)**

The payment was fully disbursed in cash.

No goodwill arose from the acquisition and there are no significant contingent payments. The net effect of the business combination has been registered under the heading "Other operating expenses" in the Consolidated Income Statement as of December 31, 2011 (Note 26.c).

The revenue and net income of the acquired business reflected in the Consolidated Financial Statements from the date of incorporation into the consolidation scope to December 31, 2011 amounted to 5,406 thousand euros and 4,462 thousand euros in income, respectively, including the net effect on income of the business combination amounting to 4,017 thousand euros. The headcount of this newly incorporated business amounted to approximately 100.

The Group has opted to value non-controlling interest on the basis of the recognized value of net assets acquired and in proportion to the relative equity interest of non-controlling shareholdings.

There were no significant transaction related expenses in connection with this acquisition.

*ALHC, LLC. and Gestamp South Carolina, LLC.*

On October 1, 2009 the Group company Gestamp North America, Inc. acquired a 40% stake in ALHC, LLC., which in 2009 and 2010 was reflected in the Group Consolidated Financial Statements using the equity method.

On April 29, 2011 the Group company Gestamp North America, Inc., acquired the remaining 60% shareholding of ALHC, LLC., which owns 100% of Gestamp South Carolina LLC., a company whose corporate purpose is metal stamping and the manufacture of metal components and which is domiciled in South Carolina (USA). As such, as of that date, the Group acquired full ownership of both companies.

The fair value of the assets and liabilities of ALHC, LLC. considering its shareholding in Gestamp South Carolina, LLC., is as follows:

	<b>Thousands of euros</b>
<b>Assets</b>	
Intangible assets (Note 6) . . . . .	473
Property, land and equipment (Note 7)	
Land and buildings . . . . .	16,603
Plant and other PP&E . . . . .	36,669
Inventories . . . . .	36,616
Trade receivables . . . . .	5,674
Cash and cash equivalents . . . . .	16,371
Other assets . . . . .	3,079
	<u>115,485</u>
<b>Liabilities</b>	
Other non-current liabilities . . . . .	39,780
Other current liabilities . . . . .	3,650
Trade accounts payable . . . . .	50,604
Other liabilities . . . . .	2,779
	<u>96,813</u>
Net assets . . . . .	18,672
Fair value of 40% . . . . .	8,042
Cost of 60% of consideration . . . . .	8,806
Net effect of business combination . . . . .	1,824



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**4. Changes in consolidation scope and business combinations (Continued)**

The payment was fully disbursed in cash.

No goodwill arose from the acquisition and there are no significant contingent payments. The net effect of the business combination has been registered under the heading “Other operating expenses” in the consolidated income statement as of December 31, 2011 (Note 26.c).

Additionally, when the Group obtained control, there was a net debt at ALHC, LLC. with the acquiring company Gestamp North America, Inc., in the amount of 29,968 thousand euros, included in the previous Balance Sheet, mainly, under the heading “Other non-current liabilities”.

The revenue and net income of the acquired business reflected in the consolidated financial statements from the date of incorporation into the consolidation scope to December 31, 2011 amounted to 148,274 thousand euros and 8,314 thousand euros in profit, respectively, including the net effect on income of the business combination amounting to 1,824 thousand euros of profit. The headcount of this newly incorporated business amounted to approximately 193.

There were no significant transaction related expenses in connection with this acquisition.

With regard to all of the aforementioned business combinations, the principal assessment criteria utilized in calculating the fair value of the different accounting line items are as follows:

*Intangible assets:* measured at acquisition cost, which approximates their fair value.

*Property, plant, and equipment:* in the case of the Gestamp Metal Forming Subgroup, the fixed assets were valued according to their utility, considering an estimated remaining useful life of 7 years, given that the bulk of the fixed assets is machinery, and considering discount rates of between 10.8% and 14.5% depending on the country. The utility valuation was also verified using an appraisal by an independent expert who used market values for land and buildings and replacement value for the remaining fixed assets.

For the other business combinations the fixed asset valuations were based on independent third party reports. Market valuations served as the underlying criteria for the determination of fair value.

*Inventories of raw materials:* measured based on acquisition cost, which also approximates replacement value.

*Inventories of finished products:* measured based on production cost, which also approximates replacement value.

*Trade receivables and trade accounts payable:* measured at nominal value.

*Current and non-current provisions:* measured based on the present value of the expected future necessary cash payments.

**Acquisitions in 2010**

On April 1, 2010, after having received the required approvals, the Group consummated the purchase of 100% of the Body Components business unit of Edscha Subgroup, according to which the Group acquired the material assets and inventories held by companies in EU countries (Germany, Czech Republic, Slovakia, Spain, France and Portugal), assumed existing contracts with clients and suppliers, incorporated the existing staff, as well as investments in companies located in Brazil, China, Taiwan and Japan.

This transaction enhanced the Group’s technological positioning vis-à-vis its clients and added an entirely new product category to its existing portfolio, a category in which the acquired business unit is the market leader worldwide.

The transaction was executed in the context of the liquidation process carried out by the official receiver of the sellers which reside in the European Union. The liquidation process took place in the context of bankruptcy proceedings which began in February 2009.

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**4. Changes in consolidation scope and business combinations (Continued)**

The fair value of the assets and liabilities of Edscha Subgroup's Body Components business unit at April 1, 2010 is as follows:

	Thousands of euros
Intangible assets (Note 6) . . . . .	11,749
Property, land and equipment (Note 7)	
Land and buildings . . . . .	64,250
Plant and other PP&E . . . . .	112,675
Deferred tax assets . . . . .	32,631
Inventories . . . . .	57,454
Trade receivables . . . . .	67,153
Cash and cash equivalents . . . . .	5,146
Other assets . . . . .	1,781
	<u>352,839</u>
Non-current provisions (Note 20) . . . . .	89,016
Non-current borrowings . . . . .	3,496
Other non-current liabilities . . . . .	539
Deferred tax liabilities . . . . .	29,587
Current provisions (Note 20) . . . . .	2,831
Current borrowings . . . . .	4,369
Trade accounts payable . . . . .	36,483
Other current liabilities . . . . .	9,362
	<u>175,683</u>
Net assets . . . . .	177,156
Total consideration . . . . .	129,853
Net effect of business combination . . . . .	47,303

The cost of the acquisition amounted to 129,853 thousand euros and was paid entirely using surplus cash on hand within the Group.

No goodwill arose from the acquisition and there are no significant contingent payments. The net effect of the business combination amounted to 47,303 thousand euros and has been registered under the heading "Other operating income" in the consolidated income statement as of December 31, 2010, given that the net impact is significant (Note 25.b).

The principal assessment criteria utilized in calculating the fair value of the different accounting line items are the following:

*Intangible assets:* measured at acquisition cost, which approximates their fair value.

*Property, plant, and equipment:* based on an appraisal from an independent third party, verified in turn by a second appraisal. The criteria used to establish fair value have been based on market value for the land and buildings, and replacement value for the machinery, adjusting for remaining useful life.

*Shareholdings in solvent companies:* based on their utility value, which is similar to the book value of the equity of these companies.

*Inventories of raw materials:* measured based on acquisition cost, which also approximates replacement value.

*Inventories of finished products:* measured based on production cost, which also approximates replacement value.



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**4. Changes in consolidation scope and business combinations (Continued)**

*Trade receivables and trade account payables:* measured at nominal value.

*Current and non-current provisions:* measured based on the present value of the expected future necessary cash payments.

The costs related to this transaction amounted to approximately 965 thousand euros.

The impact in the consolidated net turnover and the consolidated net income attributable to the business combination from the acquisition date to December 31, 2010 amounted to 470,870 thousand euros and 31,958 thousand euros of profit, respectively. The headcount that was incorporated from this business amounted to 3,858.

The effect of the business combination, if it had been carried out from January 1, 2010, would have amounted to 630 million euros in net turnover and 46 million euros in net income as of December 31, 2010.

**5. Joint ventures**

The Group participates in the following jointly controlled entities at December 31, 2012, 2011 and 2010 (Annex I):

<u>Company</u>	<u>Shareholding</u>		
	<u>2012</u>	<u>2011</u>	<u>2010</u>
Beyçelik, A.S. ....	50.00%	50.00%	50.00%
Gestamp Automotive India Private Ltd. ....	50.00%	50.00%	50.00%
Sungwoo Gestamp Hitech Pune Private Ltd. ....	50.00%	50.00%	50.00%
Sungwoo Gestamp Hitech Chennai Ltd. ....	50.00%	50.00%	50.00%
Gestamp Sungwoo Hitech (Chennai) Private Ltd. ....	50.00%	50.00%	50.00%
GS Hot-Stamping Co. Ltd. ....	47.49%	47.49%	—
Gestamp Sungwoo Stampings and Assemblies Private Ltd. ....	50.00%	50.00%	—
Shanghai Edscha Machinery Co. Ltda. ....	50.00%	50.00%	50.00%
Jui Li Edscha Body Systems Co. Ltda. ....	50.00%	50.00%	50.00%
Jui Li Edscha Hainan Industry Enterprise Co. Ltda. ....	50.00%	50.00%	50.00%
Jui Li Edscha Holding Co. Ltda. ....	50.00%	50.00%	50.00%
GMF Otomotiv Parçaları Sanayi ve Ticaret L.S. ....	50.00%	—	—

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**5. Joint ventures (Continued)**

The key financial indicators for the Group's jointly-controlled entities at December 31, 2012, 2011 and 2010 are set forth below:

Company	2012					
	Non-current assets	Current assets	Non-current liabilities	Current liabilities	Income	Expense
	(Thousands of euros)					
Beyçelik, A.S. ....	40,634	34,190	7,970	39,970	86,173	80,653
Gestamp Automotive India Private Ltd. ....	23,082	29,015	36,217	10,421	38,179	34,631
Sungwoo Gestamp Hitech Pune Private Ltd. ....	4,879	2,965	366	8,574	5,197	6,889
Sungwoo Gestamp Hitech Chennai Ltd. ....	16,492	16,821	4,442	16,320	45,307	44,681
Gestamp Sungwoo Hitech (Chennai) Private, Ltd. ....	14,357	10,069	6,892	10,863	38,901	38,169
GS Hot-Stamping Co. Ltd. ....	8,293	1,199	2,215	4,940	2,949	3,767
Gestamp Sungwoo Stampings & Assemblies private Limited ...	14,326	6,453	10,459	7,155	2,128	3,375
Shanghai Edscha Machinery Co. Ltda. ....	4,432	13,747	77	6,848	31,531	29,348
Jui Li Edscha Body Systems Co. Ltda. ....	162	732	8	344	1,765	1,751
Jui Li Edscha Hainan Industry Enterprise Co. Ltda. ....	450	1,313	—	352	3,491	3,333
Jui Li Edscha Holding Co. Ltda.	130	—	2	—	—	—
GMF Otomotiv Parçaları Sanayi ve Ticaret Limited Sirketi ...	9,580	5,017	8,781	4,040	8,466	9,757
	<b>136,817</b>	<b>121,521</b>	<b>77,429</b>	<b>109,827</b>	<b>264,087</b>	<b>256,354</b>

Company	2011					
	Non-current assets	Current assets	Non-current liabilities	Current liabilities	Income	Expense
	(Thousands of euros)					
Beyçelik, A.S. ....	24,265	27,959	8,042	21,922	65,166	59,566
Gestamp Automotive India Private Ltd. ....	27,997	31,463	36,443	20,788	39,725	45,131
Sungwoo Gestamp Hitech Pune Private Ltd. ....	5,796	5,272	2,054	8,488	5,025	6,865
Sungwoo Gestamp Hitech Chennai Ltd. ....	13,152	27,337	3,973	24,025	45,871	43,800
Gestamp Sungwoo Hitech (Chennai) Private, Ltd. ....	14,559	9,244	3,950	16,812	27,510	26,376
GS Hot-Stamping Co. Ltd. ....	7,436	2,343	2,136	4,488	1,165	1,998
Gestamp Sungwoo Stampings & Assemblies private Limited ...	1,514	3,126	—	44	88	91
Shanghai Edscha Machinery Co. Ltda. ....	3,981	13,028	—	5,017	25,906	23,936
Jui Li Edscha Body Systems Co. Ltda. ....	159	1,220	6	598	1,940	1,810
Jui Li Edscha Hainan Industry Enterprise Co. Ltda. ....	325	1,755	—	813	3,242	2,940
Jui Li Edscha Holding Co. Ltda.	130	—	2	—	—	—
	<b>99,314</b>	<b>122,747</b>	<b>56,606</b>	<b>102,995</b>	<b>215,638</b>	<b>212,513</b>

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**5. Joint ventures (Continued)**

Company	2010					
	Non-current assets	Current assets	Non-current liabilities	Current liabilities	Income	Expense
	(Thousands of euros)					
Beyçelik, A.S. . . . . .	19,219	18,131	2,142	12,632	56,160	50,449
Gestamp Automotive India Private Ltd. . . . . .	34,853	23,648	36,207	14,012	17,582	17,876
Sungwoo Gestamp Hitech Pune Private Ltd. . . . . .	6,603	3,108	5,075	1,960	5,222	6,350
Sungwoo Gestamp Hitech Chennai Ltd. . . . . .	13,549	20,502	4,155	18,283	47,248	46,047
Gestamp Sungwoo Automotive (Chennai) Private Ltd. . . . . .	10,000	10,043	8,061	9,137	20,646	19,226
Shanghai Edscha Machinery Co. Ltda. . . . . .	4,299	10,326	—	5,557	17,849	16,708
Jui Li Edscha Body Systems Co. Ltda. . . . . .	167	943	6	423	1,027	1,020
Jui Li Edscha Hainan Industry Enterprise Co. Ltda. . . . . .	290	1,163	—	590	1,521	1,306
Jui Li Edscha Holding Co. Ltda. . . . . .	58	—	1	—	—	—
	<b>89,038</b>	<b>87,864</b>	<b>55,647</b>	<b>62,594</b>	<b>167,255</b>	<b>158,982</b>

The company GS Hot-Stamping Co. Ltd. at December 31, 2010 was fully consolidated and because of the decrease of the Group investment in the said company from 56.99% to 47.49%, in 2012 and 2011 it is consolidated under the proportionate consolidation method.

**6. Intangible assets**

a) *Goodwill*

The breakdown, amount, and movement of goodwill in fully consolidated companies in 2012, 2011, and 2010 are as follows:

	Balance at December 31, 2009	Additions	Decreases	Other movements	Balance at December 31, 2010	Currency translation differences	Balance at December 31, 2011	Decreases	Currency Translation differences	Balance at December 31, 2012
	(Thousand of euros)									
Metalbages, S.A. . . . .	15,622	—	—	—	15,622	—	15,622	—	—	15,622
MB Levante, S.L. . . . .	6,944	—	—	—	6,944	—	6,944	—	—	6,944
Gestamp Aveiro, S.A. . . . .	7,395	—	—	—	7,395	—	7,395	—	—	7,395
Griwe Subgroup . . . . .	6,466	—	—	—	6,466	—	6,466	—	—	6,466
Gestamp HardTech, AB . . . . .	42,691	—	—	—	42,691	230	42,921	—	1,682	44,603
Gestamp Brasil Industria de Autopeças, S.A. . . . .	13,466	—	—	—	13,466	1,359	14,825	—	(1,597)	13,228
Automotive Stampings & Assemblies, Ltd. . . . .	1,349	—	(1,349)	—	—	—	—	—	—	—
Beyçelik, A.S. . . . . .	38,010	—	—	—	38,010	(8,654)	29,356	—	1,133	30,489
Continental Group, Ltd. . . . .	1,569	—	—	—	1,569	(188)	1,381	(1,381)	—	—
Gestamp Services India Private, Ltd. . . . . .	15	—	—	—	15	(2)	13	—	(1)	12
Gestamp Severstal Vsevolozhsk, Llc . . . . .	207	—	—	—	207	(25)	182	—	6	188
Adral, matricería y pta. a punto, S.L. . . . . .	857	—	—	—	857	—	857	—	—	857
Sungwoo Gestamp Hitech Chennai, Ltd. . . . . .	8,558	—	—	—	8,558	(76)	8,482	—	(465)	8,017
Sungwoo Gestamp Hitech Pune Private, Ltd. . . . .	731	—	—	—	731	(11)	720	—	(39)	681
Gestamp Sungwoo Automotive (Chennai) Pvt Ltd . . . . . .	—	943	—	833	1,776	(33)	1,743	—	(95)	1,648
<b>TOTAL . . . . .</b>	<b>143,880</b>	<b>943</b>	<b>(1,349)</b>	<b>833</b>	<b>144,307</b>	<b>(7,400)</b>	<b>136,907</b>	<b>(1,381)</b>	<b>624</b>	<b>136,150</b>

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**6. Intangible assets (Continued)**

Currency translation differences correspond to adjustments to the goodwill of companies having a functional currency other than the euro, translated at the exchange rate prevailing at the Consolidated Balance Sheet date, in accordance with IAS 21 (Note 2.4a).

Decreases in period ended December 31, 2012 correspond to Continental Group, Ltd. dissolution (Note 4.2).

In 2012, the group company Gestamp Tooling Overseas Design India, Ltd., changed its name to Gestamp Services India Private, Ltd. In addition, the group company Gestamp Paraná, S.A. changed its name to Gestamp Brasil Industria de Autopeças, S.A. (Note 4.2).

The increase reflected as other movements in 2010 corresponds to the change in the consolidation method of the subsidiary Gestamp Sungwoo Automotive (Chennai) Pvt. Ltd. The increase in the shareholding in this Company from 20% to 50% leads to consolidation under proportionate method in 2010 instead of under equity method in 2009. As a consequence, the implicit goodwill contained in this investment for 833 thousand euros is taken to Goodwill.

Additions in 2010 correspond to the goodwill arising from the increase in the ownership stake in this company in 2010.

Decreases in 2010 refer to the disposal of the goodwill from Automotive Stampings & Assemblies, Ltd. since the Group's interest in this Company has been sold.

**Impairment test of Goodwill**

The Group has implemented annual procedures to test goodwill for impairment. This assessment is carried out for each of the CGUs or groups of CGUs to which goodwill has been allocated.

For each CGU, these calculations are made using cash flow projections for the cash-generating unit based on current operating results and business plans covering a five-year period. The pre-tax discount rates used for the cash flow projections in 2012 range from 8.66% to 11.02% for western European companies (in 2011 the range was from 10.86% to 14.30% and in 2010 the range was from 10.59% to 11.90%) and from 10.61% to 13.26% for the remaining companies (in 2011 was from 13.31% to 14.51% and in 2010 was from 11.90% to 15.53%).

The Group used an estimate of constant growth at approximately 1% for the extrapolation of cash flows beyond the five-year period.

According to the estimates and projections available to management, the expected future cash flows attributable to the various CGUs or groups of CGUs to which goodwill is assigned indicate that the carrying amount of all the goodwill recognized at December 31, 2012, 2011, and 2010 is at least equal to the corresponding recoverable amounts.

*Sensitivity analysis to changes in key assumptions*

The Company's management subjects its goodwill valuations to a sensitivity analysis, varying key inputs such as the discount and terminal growth rates used, to ensure that potential changes in these estimates do not reduce recoverable amounts to below carrying amounts.

- Although a 50 basis points increase in the discount rate used would reduce value in use, in no case would this be reduced to below the carrying amount of goodwill.
- Assuming a rate of perpetual growth of 0.5% would similarly result in a decline in value in use, albeit in no instance to below the carrying amount of goodwill.

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**6. Intangible assets (Continued)**

**b) Other intangible assets**

The breakdown, amount and movement in intangible assets in the years ended December 31, 2012, 2011 and 2010 were as follows:

	At December 31, 2011	Additions to consolidation scope	Additions	Disposals	Currency translation differences	Other movements	At December 31, 2012
(Thousands of euros)							
<b>Cost</b>							
R&D expenses . . .	65,573	—	31,168	(570)	169	(671)	95,669
Concessions . . . . .	1,274	—	—	—	8	16	1,298
Patents, licenses & trademark . . . . .	3,016	—	82	(3)	18	1,651	4,764
Goodwill . . . . .	3,243	—	—	—	(68)	(973)	2,202
Transfer fees . . . . .	1,986	—	—	—	66	(690)	1,362
Software . . . . .	65,883	—	7,592	(1,340)	(168)	2,000	73,967
Prepayments . . . . .	4,726	—	1,189	—	240	(4,487)	1,668
<b>Total cost . . . . .</b>	<b>145,701</b>	<b>—</b>	<b>40,031</b>	<b>(1,913)</b>	<b>265</b>	<b>(3,154)</b>	<b>180,930</b>
<b>Amortization</b>							
R&D expenses . . .	(32,820)	—	(11,739)	150	4	687	(43,718)
Concessions . . . . .	(301)	—	(97)	—	(9)	(16)	(423)
Patents, licenses & trademark . . . . .	(2,603)	—	(238)	3	(18)	(65)	(2,921)
Transfer fees . . . . .	(1,054)	—	(96)	—	(60)	54	(1,156)
Software . . . . .	(48,062)	—	(6,512)	1,312	150	(289)	(53,401)
<b>Total accumulated amortization . . .</b>	<b>(84,840)</b>	<b>—</b>	<b>(18,682)</b>	<b>1,465</b>	<b>67</b>	<b>371</b>	<b>(101,619)</b>
Impairment of R&D expenses . .	(298)	—	(254)	—	—	207	(345)
<b>Net carrying amount . . . . .</b>	<b>60,563</b>	<b>—</b>	<b>21,095</b>	<b>(448)</b>	<b>332</b>	<b>(2,576)</b>	<b>78,966</b>

Additions in R&D expenses corresponded mainly to portfolio project development and design costs of portfolio projects, as such as the application of new technologies and the introduction of new materials related with the business.

Additions of Software corresponded mainly to software licenses, and consulting costs for the SAP implementation project in subsidiaries in Spain, Russia, Brazil and Argentina.

Disposals correspond, mainly, to obsolete and fully amortized software of Gestamp Noury, S.A.S. (1,198 thousand euros).

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**6. Intangible assets (Continued)**

Other movements mainly reflect differences in opening balances of individual Group companies; as well as reclassifications between intangible assets, property, plant and equipment and inventories

	At December 31, 2010	Additions to consolidation scope	Additions	Disposals	Currency translation differences	Other movements	At December 31, 2011
	(Thousands of euros)						
<b>Cost</b>							
R&D expenses . . .	42,265	9,624	13,127	(149)	(123)	829	65,573
Concessions . . . . .	1,235	—	—	(3)	42	—	1,274
Patents, licenses & trademark . . . . .	3,431	1,249	94	(2)	11	(1,767)	3,016
Goodwill . . . . .	2,601	705	—	(232)	127	42	3,243
Transfer fees . . . . .	1,344	779	14	—	(96)	(55)	1,986
Software . . . . .	54,091	3,746	10,428	(4,787)	(268)	2,673	65,883
Prepayments . . . . .	318	—	4,719	—	(11)	(300)	4,726
<b>Total cost . . . . .</b>	<b>105,285</b>	<b>16,103</b>	<b>28,382</b>	<b>(5,173)</b>	<b>(318)</b>	<b>1,422</b>	<b>145,701</b>
<b>Amortization</b>							
R&D expenses . . .	(15,135)	(5,719)	(10,210)	—	(42)	(1,714)	(32,820)
Concessions . . . . .	(194)	—	(124)	—	17	—	(301)
Patents, licenses & trademark . . . . .	(1,187)	(957)	(325)	—	(11)	(123)	(2,603)
Transfer fees . . . . .	(985)	(49)	(142)	—	123	(1)	(1,054)
Software . . . . .	(39,674)	(2,976)	(5,543)	70	152	(91)	(48,062)
<b>Total accumulated amortization . . .</b>	<b>(57,175)</b>	<b>(9,701)</b>	<b>(16,344)</b>	<b>70</b>	<b>239</b>	<b>(1,929)</b>	<b>(84,840)</b>
Impairment of R&D expenses . .	(48)	—	(240)	—	(10)	—	(298)
<b>Net carrying amount . . . . .</b>	<b>48,062</b>	<b>6,402</b>	<b>11,798</b>	<b>(5,103)</b>	<b>(89)</b>	<b>(507)</b>	<b>60,563</b>

The amounts under “Additions to consolidation scope” correspond to the companies Ocon Automated Systems, S.L., Gestamp South Carolina, LLC., Gestamp Metal Forming Subgroup, Loire Sociedad Anónima Franco Española and Diede Die Developments, S.L. (Note 4.1 and 4.2).

Additions in R&D expenses corresponded mainly to portfolio project development and design costs of portfolio projects, as such as the application of new technologies and the introduction of new materials related with the business.

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**6. Intangible assets (Continued)**

Additions in Software correspond mainly to software licenses (SAP implementation project) in subsidiaries in Brazil and Korea.

	At December 31, 2009	Additions to consolidation scope	Additions	Disposals	Currency translation differences	Other movements	At December 31, 2010
	(Thousands of euros)						
<b>Cost</b>							
R&D expenses . . .	23,289	11,280	4,694	(938)	886	3,054	42,265
Concessions . . . . .	835	—	44	—	91	265	1,235
Patents, licenses & trademark . . . . .	1,863	365	253	—	55	895	3,431
Goodwill . . . . .	2,605	—	—	—	237	(241)	2,601
Transfer fees . . . . .	—	37	127	—	4	1,176	1,344
Software . . . . .	50,557	811	3,805	(233)	720	(1,569)	54,091
Prepayments . . . . .	2,058	—	1,708	(373)	241	(3,316)	318
Total cost . . . . .	81,207	12,493	10,631	(1,544)	2,234	264	105,285
<b>Amortization</b>							
R&D expenses . . .	(8,403)	(130)	(6,136)	—	(373)	(93)	(15,135)
Concessions . . . . .	(47)	—	(94)	—	(5)	(48)	(194)
Patents, licenses & trademark . . . . .	(1,428)	—	(233)	—	(20)	494	(1,187)
Transfer fees . . . . .	—	—	(99)	—	1	(887)	(985)
Software . . . . .	(33,215)	(543)	(5,748)	226	(438)	44	(39,674)
Total accumulated amortization . . .	(43,093)	(673)	(12,310)	226	(835)	(490)	(57,175)
Impairment of R&D expenses . .	—	—	(48)	—	—	—	(48)
<b>Net carrying amount . . . . .</b>	<u>38,114</u>	<u>11,820</u>	<u>(1,727)</u>	<u>(1,318)</u>	<u>1,399</u>	<u>(226)</u>	<u>48,062</u>

In 2010 the additions to the consolidation scope correspond mainly to the Edscha Subgroup.

The R&D expenses directly registered in the consolidated income statement in 2010 amounted to approximately 20 million euros and correspond to employee benefit costs and services purchased.

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**7. Property, plant and equipment**

The breakdown, amount and movement in “Property, plant and equipment” in the years ended December 31, 2012, 2011, and 2010 are as follows:

	At December 31, 2011	Additions to consolidation scope	Additions	Disposals	Currency translation differences	Other movements	At December 31, 2012
	(Thousands of euros)						
<b>Cost</b>							
Land and buildings	1,040,162		44,788	(749)	(2,726)	41,334	1,122,809
Plant and other							
PP&E . . . . .	3,155,175		193,399	(37,794)	(14,038)	146,970	3,443,712
PP&E under construction and prepayments . . .	292,429		352,710	(8,236)	(8,012)	(198,271)	430,620
Total cost . . . . .	4,487,766	—	590,897	(46,779)	(24,776)	(9,967)	4,997,141
<b>Depreciation and impairment</b>							
Land and buildings	(235,830)		(31,601)	602	1,994	(10,213)	(275,048)
Plant and other							
PP&E . . . . .	(2,108,285)		(228,320)	32,949	9,366	13,262	(2,281,028)
Accumulated depreciation . . .	(2,344,115)	—	(259,921)	33,551	11,360	3,049	(2,556,076)
Impairment of plant and other							
PP&E . . . . .	(10,771)		615		(183)	686	(9,653)
<b>Net book value . . .</b>	<u>2,132,880</u>	<u>—</u>	<u>331,591</u>	<u>(13,228)</u>	<u>(13,599)</u>	<u>(6,232)</u>	<u>2,431,412</u>

The most significant additions at December 31, 2012 correspond principally to investments in plants and production lines, as well as purchases made by plants in China (92,388 thousand euros), USA (85,874 thousand euros), Spain (83,018 thousand euros), United Kingdom (52,276 thousand euros), Brazil (51,471 thousand euros), Russia (44,626 thousand euros), Germany (35,805 thousand euros), France (34,348 thousand euros), India (23,617 thousand euros), Mexico (23,639 thousand euros), and Czech Republic (21,069 thousand euros); and to replacement capital expenditure to maintain existing activities.

Disposals correspond mainly to obsolete and fully depreciated items of Gestamp Metal Forming Subgroup (6,694 thousand euros), Gestamp Noury, S.A.S. (4,060 thousand euros), Estampaciones Metálicas Vizcaya, S.A. (3,469 thousand euros), MB Levante, S.L. (2,902 thousand euros) and Gestamp Solblank Navarra, S.L. (1,054 thousand euros), and to sales to third parties; the result of these sales is not significant. In addition, disposals include the reduction of the shareholding percentage in GMF Otomotiv Parçaları Sanayi ve Ticaret Limited Sirketi (7,768 thousand euros), as consequence the company is now jointly controlled and consolidated using the proportionate rather than the full consolidation method (Note 4.1 and 4.2).



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**7. Property, plant and equipment (Continued)**

Other movements mainly reflect differences in opening balances of individual Group companies and PP&E under construction movements; as well as reclassifications between property, plant and equipment,, intangible assets and inventories.

Cost	At December 31, 2010	Additions to consolidation scope	Additions	Disposals	Currency translation differences	Other movements	At December 31, 2011
	(Thousands of euros)						
Land and buildings	862,093	141,883	25,986	(44)	(9,526)	19,770	1,040,162
Plant and other PP&E . . . . .	2,080,810	953,972	93,515	(53,986)	(15,455)	96,319	3,155,175
PP&E under construction and prepayments . . .	160,468	26,464	220,941	(7,031)	(1,773)	(106,640)	292,429
Total cost . . . . .	3,103,371	1,122,319	340,442	(61,061)	(26,754)	9,449	4,487,766
<b>Depreciation and impairment</b>							
Land and buildings	(146,598)	(54,665)	(30,372)	15	(337)	(3,873)	(235,830)
Plant and other PP&E . . . . .	(1,242,944)	(708,748)	(193,874)	41,139	(3,719)	(139)	(2,108,285)
Accumulated depreciation . . .	(1,389,542)	(763,413)	(224,246)	41,154	(4,056)	(4,012)	(2,344,115)
Impairment of plant and other PP&E . . . . .	(382)	(9,337)	(862)	127	(308)	(9)	(10,771)
<b>Net book value . . .</b>	<b>1,713,447</b>	<b>349,569</b>	<b>115,334</b>	<b>(19,780)</b>	<b>(31,118)</b>	<b>5,428</b>	<b>2,132,880</b>

The amounts under “Additions to consolidation scope” correspond to the companies Ocon Automated Systems, S.L., Gestamp South Carolina, LLC., Edscha Automotive Michigan, INC., Gestamp Metal Forming Subgroup, Loire Sociedad Anónima Franco Española and Diede Die Developments, S.L. (Note 4.1).

The most significant additions at December 31, 2011 correspond, principally, to investments in plants and production lines, as well as purchases carried out by plants in Brazil (71,516 thousand euros), Germany (38,143 thousand euros), Spain (34,662 thousand euros), USA (30,550 thousand euros), Czech Republic (25,814 thousand euros), China (23,095 thousand euros), Russia (19,957 thousand euros), Turkey (19,359 thousand euros) Mexico (17,939 thousand euros) and India (15,213 thousand euros); and to replacement capital expenditure to maintain existing activities.

Disposals correspond, mainly, to obsolete and fully amortized elements of Gestamp Metal Forming Subgroup (16,386 thousand euros), Gestamp Navarra, S.A. (5,607 thousand euros), Estampaciones Metálicas Vizcaya, S.A. (4,833 thousand euros), and Gestamp Paraná, S.A. (3,712 thousand euros); and sales to third parties by Gestamp Severstal Kaluga, LLC. (4,447 thousand euros) the result of these sales is not significant. In addition, disposals include the reduction of the shareholding percentage in the group company GS Hot-Stamping Co. Ltd. (3,543 thousand euros): in 2010 the company was consolidated using the full consolidation method and in 2011 it was consolidated under the proportionate method (Note 4.2)

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**7. Property, plant and equipment (Continued)**

Other movements mainly reflect differences in opening balances of individual Group companies and PP&E under construction movements; as well as reclassifications between PP&E, intangible assets, and inventories.

	At December 31, 2009	Additions to consolidation scope	Additions	Disposals	Currency translation differences	Other movements	At December 31, 2010
	(Thousands of euros)						
<b>Cost</b>							
Land and buildings	711,575	67,859	13,811	(5,341)	16,369	57,820	862,093
Plant and other							
PP&E . . . . .	1,688,339	128,133	71,302	(29,066)	65,066	157,036	2,080,810
PP&E under construction and prepayments . . .	211,988	9,025	144,894	(632)	10,277	(215,084)	160,468
Total cost . . . . .	2,611,902	205,017	230,007	(35,039)	91,712	(228)	3,103,371
<b>Depreciation and impairment</b>							
Land and buildings	(119,469)	(1,323)	(22,405)	771	(3,148)	(1,024)	(146,598)
Plant and other							
PP&E . . . . .	(1,059,746)	(15,047)	(162,610)	22,091	(29,853)	2,221	(1,242,944)
Accumulated depreciation . . .	(1,179,215)	(16,370)	(185,015)	22,862	(33,001)	1,197	(1,389,542)
Impairment of plant and other							
PP&E . . . . .	(206)	—	(274)	58	(26)	66	(382)
<b>Net book value . . .</b>	1,432,481	188,647	44,718	(12,119)	58,685	1,035	1,713,447

The amounts under “Additions to consolidation scope” correspond to:

- Gestamp Sungwoo Automotive (Chennai) Private, Ltd.
- Edscha Subgroup (Note 4.2).
- Gestamp Manufacturing Autochasis, S.L.

In 2009 the subsidiary Gestamp Sungwoo Automotive (Chennai) Private, Ltd. was consolidated under the equity method, and in 2010, after the Group’s stake in the company increased to 50% the consolidation method was changed to proportionate consolidation.

In 2009 the subsidiary Gestamp Manufacturing Autochasis, S.L. was consolidated using proportionate consolidation, and since July 1, 2010 it has been fully consolidated given that the Group increased its stake in this company from 50% to 100%.

The most significant additions in 2010 correspond, principally, to the completion of plants under construction in Russia, the USA and Korea; as well as to increases existing plant capacity principally in Brazil, Mexico, the USA, China and Turkey, and to replacement capital expenditure to maintain existing activities.

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**7. Property, plant and equipment (Continued)**

The breakdown by country of translation differences arising in 2012, 2011 and 2010 is the following:

	2012	2011	2010
	(Thousands of euros)		
Brazil . . . . .	(15,123)	(14,864)	12,138
India . . . . .	(2,759)	(7,397)	6,311
Mexico . . . . .	5,140	(6,168)	7,895
Argentina . . . . .	(12,115)	(5,116)	—
USA . . . . .	(3,524)	4,500	8,484
Russia . . . . .	4,548	—	6,551
Poland . . . . .	3,045	—	—
United Kingdom . . . . .	2,320	—	—
Turkey . . . . .	2,163	—	—
Sweden . . . . .	—	—	5,185
Other countries . . . . .	2,706	(2,073)	12,121
<b>TOTAL . . . . .</b>	<b>(13,599)</b>	<b>(31,118)</b>	<b>58,685</b>

The asset revaluation effect that was carried out in 2007 as a result of the IFRS transition during 2012, 2011, and 2010 is as follows:

	2012	2011	2010
	(Thousands of euros)		
Initial cost . . . . .	261,916	261,916	261,916
Fair value . . . . .	562,253	562,253	562,253
Revaluation . . . . .	300,337	300,337	300,337
Accumulated depreciation . . . . .	(27,686)	(23,023)	(18,234)
Deferred tax liabilities . . . . .	(80,013)	(81,396)	(82,815)

In 2013 the Group will carry out several investment projects for increasing the productive capacity of plants and improving their efficiency. This will suppose investments in tangible assets in line with the investments of last two years.

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**7. Property, plant and equipment (Continued)**

The breakdown of PP&E located outside Spain, by country, for years ended 2012, 2011 and 2010 is as follows:

Country	Net carrying amount 2012	Net carrying amount 2011	Net carrying amount 2010
PORTUGAL . . . . .	38,131	33,245	33,539
FRANCE . . . . .	98,324	90,119	34,882
GERMANY . . . . .	261,785	266,209	176,609
BRAZIL . . . . .	192,757	172,519	149,213
ARGENTINA . . . . .	81,695	95,421	105,151
MEXICO . . . . .	108,143	89,600	90,413
UNITED KINGDOM . . . . .	135,234	100,017	1,844
HUNGARY . . . . .	19,848	17,270	25,155
POLAND . . . . .	44,445	48,235	57,992
SWEDEN . . . . .	36,825	38,200	41,787
USA . . . . .	282,617	218,584	154,123
CHINA . . . . .	179,539	104,718	50,812
INDIA . . . . .	69,665	59,920	61,572
SOUTH KOREA . . . . .	47,185	48,572	42,009
TURKEY . . . . .	46,685	42,241	21,843
RUSSIA . . . . .	174,530	137,043	132,987
CZECH REPUBLIC . . . . .	61,388	40,391	18,200
JAPAN . . . . .	157	113	36
SLOVAKIA . . . . .	4,444	4,776	5,227
TAIWAN . . . . .	13	6	9
	<b>1,883,410</b>	<b>1,607,199</b>	<b>1,203,403</b>

The breakdown of assets acquired under finance lease agreements is as follows:

	Asset cost (Thousands of euros)	Lease term	Contract date	Installments paid	Present value of lease obligations		Purchase option value
					Short-term	Long-term	
					(Thousands of euros)		
<b>Edscha subgroup</b>							
Furniture . . . . .	9	4 years	2008	11	—	—	—
Machinery . . . . .	19	4 years	2010	11	5	4	—
<b>Loire Sociedad Anónima Franco Española</b>							
Machinery . . . . .	400	5 years	2010	259	54	87	5
<b>Beyçelik, A.S.</b>							
Machinery . . . . .	52	5.16 years	2012	22	30	97	—
Machinery . . . . .	2,755	4.75 years	2012	880	1,484	4,330	1
<b>GMF Otomotiv Parçaları Sanayi ve Ticaret Limited Sirketi</b>							
Machinery . . . . .	68	3 years	2012	7	27	34	—
<b>Gestamp West Virginia Llc.</b>							
Machinery . . . . .	11,369	20 years	2012	18	—	11,369	—
Machinery . . . . .	7,579	20 years	2012	—	—	7,579	—
					<b>1,600</b>	<b>23,500</b>	

The most significant additions at December 31, 2012 reflect assets acquired under finance lease agreement corresponding to the group companies Beyçelik, A.S. and Gestamp West Virginia, Llc.

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**7. Property, plant and equipment (Continued)**

At December 31, 2012 assets acquired under finance lease agreement corresponding to the company Sofedit, S.A.S. have been cancelled.

December 31, 2011							
	Asset cost (Thousands of euros)	Lease term	Contract date	Installments paid	Present value of lease obligations		Purchase option value
					Short-term	Long-term	
					(Thousands of euros)		
Edscha subgroup							
Furniture . . . . .	9	4 years	2008	10	1	—	—
Furniture . . . . .	2	4 years		2			
Machinery . . . . .	19	4 years	2010	5	5	10	—
Gestamp Metal Forming Subgroup							
Buildings . . . . .	1,903	15 years	1997	2,331	—	26	—
Loire Sociedad Anónima Franco Española							
Machinery . . . . .	400	5 years	2010	205	54	141	5
					60	177	
December 31, 2010							
	Asset cost (Thousands of euros)	Lease term	Contract date	Installments paid	Present value of lease obligations		Purchase option value
					Short-term	Long-term	
					(Thousands of euros)		
Edscha subgroup							
Other PP&E . . . . .	44	4 years	2007	36	10	1	—
Beyçelik, A.S.							
Machinery . . . . .	1,873	4 years	2006	1,986	117	—	1
Gestamp Polska, SP. Zoo							
Other PP&E . . . . .	91	3 years	2007	63	51	—	—
					178	1	

The amounts contained in the table above are affected by the application of different exchange rates in the conversion process of the financial statements at the exchange rate prevailing at the date of the transaction for companies whose functional currency is different from the presentation currency.

**Pledged property, plant and equipment to secure bank loans, in rem guarantees and others**

The subsidiary Adral Matricería y Puesta a Punto, S.L. has pledged items of property, plant, and equipment to secure bank loans received in the amount of 129 thousand euros at December 31, 2012 (387 thousand euros and 526 thousand euros at December 31, 2011 and 2010). The net carrying amount of these assets at December 31, 2012 was 1,961 thousand euros (2,066 thousand euros in 2011 and 2,172 thousand euros in 2010).

The subsidiary Edscha do Brasil, Ltda., which belongs to the Edscha Subgroup, has pledged items of property, plant, and equipment to secure bank loans received which expired in April 2012 (the outstanding amount at December 31, 2011 was 1,037 thousand Brazilian Reais). The net carrying amount of these assets at December 31, 2011 was 716 thousand Brazilian Reais (December 31, 2010: 2,431 thousand Brazilian Reais).

The subsidiary Anhui Edscha Automotive Parts Co Ltda., which belongs to the Edscha Subgroup has pledged items of property, plant, and equipment to secure bank loans received which expired in the first

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**7. Property, plant and equipment (Continued)**

quarter of 2012 (the outstanding amount at December 31, 2011 was 4,000 thousand Chinese Renminbis). The net carrying amount of these assets at December 31, 2011 was 10,960 thousand Chinese Renminbis.

The Griwe Subgroup has pledged items of property, plant, and equipment to secure bank loans received, the outstanding amount of which was 5,483 thousand euros at December 31, 2012 (December 31, 2011: 7,041 thousand euros, December 31, 2010: 7,900 thousand euros). The net carrying amount of these assets at December 31, 2012 was 5,483 thousand euros (December 31, 2011: 7,041 thousand euros; December 31, 2010: 18,164 thousand euros).

**8. Investments in associates accounted for using equity method**

The breakdown and movements of the Group's investments in associates at December 31, 2012, 2011 and 2010 expressed in thousands of euros, is as follows:

Company	At December 31, 2011	Additions to consolidation scope	Additions	Decreases	Share of profit	At December 31, 2012
			(Thousands of euros)			
Industrias Tamer, S.A. . . . .	150	—	—	—	35	185
Essa Palau, S.A. . . . .	4,650	—	—	—	(364)	4,286
Gestión Global de Matricería, S.L. . . . .	—	875	—	—	(6)	869
Ingeniería y Construcción Matrices, S.A. . . . .	—	—	—	—	589	589
IxCxT, S.A. . . . .	—	—	—	—	36	36
	<b>4,800</b>	<b>875</b>	<b>—</b>	<b>—</b>	<b>290</b>	<b>5,965</b>

The additions to the consolidation scope during 2012 correspond to the company Gestión Global de Matricería, S.L., which was formed on July 6, 2012. The Group subscribed to 35% of share capital through the Company.

In addition, Ingeniería y Construcción Matrices, S.A. and IxCxT, S.A. which belong to Gestión Global de Matricería, S.L., are integrated into the consolidation scope.

Company	At December 31, 2010	Additions	Decreases	Share of profit	At December 31, 2011
		(Thousands of euros)			
Industrias Tamer, S.A. . . . .	221	—	—	(71)	150
ALHC, LLC.—Gestamp South Carolina, LLC . . . . .	8,042	—	(8,042)	—	—
Essa Palau, S.A. . . . .	—	7,001	—	(2,351)	4,650
	<b>8,263</b>	<b>7,001</b>	<b>(8,042)</b>	<b>(2,422)</b>	<b>4,800</b>

The additions during 2011 correspond to the integration of Essa Palau, S.A. into the consolidation scope, with acquisitions of a 10% shareholding in July 2011 and a 30% shareholding in September, 2011.

In addition, on July 22, 2011 the Group acquired for 3,000 thousand euros a call option for the remaining 60% of the share capital, with an expiration date of December 31, 2016. This call option has been revalued according to contract conditions and future cash-flow estimates and has consequently been impaired.

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**8. Investments in associates accounted for using equity method (Continued)**

Decreases during 2011 correspond to the change in the consolidation method for ALHC, LLC. and Gestamp South Carolina, LLC.: starting on January 1, 2011 these companies are being fully consolidated (Note 4.2).

Company	At December 31, 2009	Additions	Decreases	Share of profit	At December 31, 2010
		(Thousands of euros)			
Industrias Tamer, S.A. . . . .	352	—	—	(131)	221
Gestamp Sungwoo Automotive (Chennai) Pvt. Ltd . . . .	1,321	—	(1,321)	—	—
ALHC, LLC.—Gestamp South Carolina, LLC . . . . .	—	7,023	—	1,019	8,042
	<b>1,673</b>	<b>7,023</b>	<b>(1,321)</b>	<b>888</b>	<b>8,263</b>

The additions at December 31, 2010 correspond to the capital increase of ALHC, LLC. subscribed pro rata by Gestamp North America Inc., which owns 100% of Gestamp South Carolina, LLC.

Decreases correspond to the change in the consolidation method for the company Gestamp Sungwoo Automotive (Chennai) Pvt. Ltd. (Note 4.2).

“Share of profit” represents in all fears the Group’s share of the profit recorded by the associated company.

**9. Financial assets**

The breakdown of the Group’s financial assets at December 31, 2012, 2011 and 2010 by category and maturity, expressed in thousands of euros, is as follows:

Item	Non-current								
	Loans and receivables			Other non-current financial assets			Derivative financial instruments		
	2012	2011	2010	2012	2011	2010	2012	2011	2010
Held-to-maturity investments . . .	—	—	—	3,091	3,195	684	—	—	—
Loans and receivables . . .	35,167	31,374	24,624	2,410	2,490	2,048	—	—	—
Derivative financial instruments . . .	—	—	—	—	—	—	14,174	10,123	—
	<b>35,167</b>	<b>31,374</b>	<b>24,624</b>	<b>5,501</b>	<b>5,685</b>	<b>2,732</b>	<b>14,174</b>	<b>10,123</b>	<b>—</b>

Item	Current								
	Loans and receivables			Securities portfolio			Other financial assets		
	2012	2011	2010	2012	2011	2010	2012	2011	2010
Held-to-maturity investments . . .	—	—	—	12,518	4,349	30,677	—	—	—
Loans and receivables . . .	31,961	25,518	44,960	—	—	—	8,918	5,617	4,728
	<b>31,961</b>	<b>25,518</b>	<b>44,960</b>	<b>12,518</b>	<b>4,349</b>	<b>30,677</b>	<b>8,918</b>	<b>5,617</b>	<b>4,728</b>

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**9. Financial assets (Continued)**

*a) Non-current financial assets*

**a.1) Non-current loans and receivables**

The breakdown and movements in this category at year end 2010, 2011 and 2012 are as follows:

Item	At December 31, 2011	Additions	Decreases	Transfers	Other movements	Translation differences	At December 31, 2012
(Thousands of euros)							
Loan to Esmo Metal, S.L. . . . .	2,880	—	—	—	—	—	2,880
Credit facility for Gestamp Automotive Private Ltd. . . . .	17,660	—	—	—	—	255	17,915
Credit facility for Essa Palau, S.A. . . . .	4,000	—	—	—	—	—	4,000
Credit facility for GS Hot-stamping Co. Ltd. . . . .	1,893	—	—	—	—	(36)	1,857
Receivable from public authorities . . . . .	1,917	3,793	(2,153)	4,045	499	(197)	7,904
Loans to employees . . . . .	418	—	(392)	—	5	—	31
Credit facility for Nano-Seven (project L47) . . . . .	765	—	—	(765)	—	—	—
Credit facility for Ocon Industrielle Konzepte, S.L. Executive Compensation Program . . . . .	107	—	—	—	—	—	107
Other . . . . .	1,601	—	—	—	(1,571)	(30)	—
	133	24	(92)	—	409	(1)	473
	<b>31,374</b>	<b>3,817</b>	<b>(2,637)</b>	<b>3,280</b>	<b>(658)</b>	<b>(9)</b>	<b>35,167</b>

The subsidiary Gestamp Linares, S.A. granted a loan to Esmo Metal, S.L. Balance at December 31, 2012 and December 31, 2011 was 2,880 thousand euros. The loan matures in 2020. The loan earns an annual interest referenced to Euribor plus a spread of 1.35%.

The subsidiary Gestamp Polska, SP. Z.o.o. granted a credit facility to Gestamp Automotive India Private, Ltd. The undrawn balance at December 31, 2012 amounted to 17,915 thousand euros (December 31, 2011: 17,660 thousand euros) with a maturity date of 2015. The credit facility earns an interest referenced to Euribor plus a spread of 4%.

The subsidiary Solblank, S.A. granted a credit facility on July, 2011 to Essa Palau, S.A. The undrawn balance at December 31, 2012 and December 31, 2011 amounted to 4,000 thousand euros. This credit facility, which matures in 2016 and can be extended, earns interests referenced to the income statement plus a spread of 2%.

The subsidiary Metalbages, S.A., granted a credit facility to GS Hot-Stamping Co, Ltd. The undrawn balance at December 31, 2012 amounted to 1,857 thousand euros (December 31, 2011: 1,893 thousand euros). The credit facility matures in December 2015 and earns an interest referenced to Libor plus a spread of 4.06%.



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**9. Financial assets (Continued)**

The balance registered at December 31, 2012 amounting to 7,904 thousand euros (December 31, 2011: 1,917 thousand euros) with maturity dates from 2014 to 2017 corresponds mainly to Gestamp Brasil Industria de Autopeças, S.A. and is related to Federal Brazilian Tax receivables.

Item	At December 31, 2010	Additions	Decreases	Transfers	Other movements	Translation differences	At December 31, 2011
	(Thousands of euros)						
Loan to Esmo Metal, S.L. . .	3,020	—	(140)	—	—	—	2,880
Credit facility for Gestamp Automotive Private Ltd. . .	17,620	2,038	—	—	—	(1,998)	17,660
Credit facility for Essa Palau, S.A. . . . .	—	4,000	—	—	—	—	4,000
Credit facility for GS Hot-stamping Co. Ltd. . . .	—	—	—	—	1,893	—	1,893
Credit facility for Ocon Automated System, S.L. . .	497	—	(497)	—	—	—	—
Receivable from public authorities . . . . .	971	1,587	(673)	—	86	(54)	1,917
Loans to employees . . . . .	516	—	(98)	—	—	—	418
Credit facility for Nano-Seven (project L47) . . . . .	1,839	1,356	(980)	(1,532)	—	82	765
Credit facility for Ocon Industrielle Konzepte, S.L.	—	107	—	—	—	—	107
Executive Compensation Program . . . . .	—	1,601	—	—	—	—	1,601
Other . . . . .	161	133	(153)	(9)	—	1	133
	<b>24,624</b>	<b>10,822</b>	<b>(2,541)</b>	<b>(1,541)</b>	<b>1,979</b>	<b>(1,969)</b>	<b>31,374</b>

The balances mentioned in the table above with companies within the consolidation scope have not been fully eliminated in consolidation as they basically correspond to companies under the proportionate consolidation method or under the equity method.

Item	At December 31, 2009	Additions	Decreases	Transfers	Other movements	Translation differences	At December 31, 2010
	(Thousands of euros)						
Loan to Esmo Metal, S.L. . .	300	2,720	—	—	—	—	3,020
Loan to Gestamp Manufacturing Autochasis . .	311	—	(311)	—	—	—	—
Credit facility for Gestamp Automotive Private Ltd. . .	14,899	2,172	—	—	—	549	17,620
Credit facility for Ocon Automated System, S.L. . .	346	151	—	—	—	—	497
Receivable from public authorities . . . . .	3,542	963	(3,973)	—	—	439	971
Loans to employees . . . . .	60	480	(4)	(21)	—	1	516
Credit facility for Nano-Seven (project L47) . . . . .	—	1,818	—	21	—	—	1,839
Other . . . . .	11	150	—	—	—	—	161
	<b>19,469</b>	<b>8,454</b>	<b>(4,288)</b>	<b>—</b>	<b>—</b>	<b>989</b>	<b>24,624</b>

The decrease corresponding to Gestamp Manufacturing Autochasis, S.L. in 2010 is related to the change in the consolidation method to full consolidation due the increase of the Group investment in the company from 50% to 100%.

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**9. Financial assets (Continued)**

**a.2) Other non-current financial assets**

The breakdown, amount and movement in this category during the years ended December 31, 2012, 2011 and 2010 are as follows:

Item	At December 31, 2011	Additions to consolidation scope	Additions	Decreases	Transfers	Other movements	Translation differences	At December 31, 2012
(Thousands of euros)								
Shareholding in Esmo Metal, S.L. . . . .	407	—	—	—	—	—	—	407
Shareholding in Beyçelik Craiova, S.R.L. . . . .	100	—	—	—	—	—	—	100
Shareholding in Autotech Engineering Deutschland, GmbH. . . . .	—	—	25	—	—	—	—	25
Genesis International, LLC . . .	2,225	—	—	—	—	—	(42)	2,183
Fixed income securities . . . . .	300	—	—	—	—	—	—	300
Non-current deposits and guarantees . . . . .	2,490	—	228	(278)	—	3	(33)	2,410
Other . . . . .	163	—	6	(66)	(1)	3	(29)	76
	<b>5,685</b>	<b>—</b>	<b>259</b>	<b>(344)</b>	<b>(1)</b>	<b>6</b>	<b>(104)</b>	<b>5,501</b>

Item	At December 31, 2010	Additions to consolidation scope	Additions	Decreases	Transfers	Other movements	Translation differences	At December 31, 2011
(Thousands of euros)								
Shareholding in Esmo Metal, S.L. . . . .	200	—	207	—	—	—	—	407
Shareholding in Beyçelik Craiova, S.R.L. . . . .	—	—	100	—	—	—	—	100
Genesis International, LLC . . .	—	—	2,225	—	—	—	—	2,225
Fixed income securities . . . . .	300	—	—	—	—	—	—	300
Non-current deposits and guarantees . . . . .	2,048	219	791	(664)	187	(13)	(78)	2,490
Other . . . . .	184	25	34	(85)	9	—	(4)	163
	<b>2,732</b>	<b>244</b>	<b>3,357</b>	<b>(749)</b>	<b>196</b>	<b>(13)</b>	<b>(82)</b>	<b>5,685</b>

The additions to the consolidation scope in 2011 correspond to the integration of the Gestamp Metal Forming Subgroup.

Item	At December 31, 2009	Additions	Decreases	Transfers	Translation differences	At December 31, 2010
(Thousands of euros)						
Shareholding in Esmo Metal, S.L. . . . .	200	—	—	—	—	200
Fixed income securities . . . . .	—	—	—	300	—	300
Land bond (US) . . . . .	72	—	(78)	—	6	—
Shareholding in GS Hot-Stamping Co. Ltd . . .	240	—	(240)	—	—	—
Non-current deposits and guarantees . . . . .	1,276	900	(175)	—	47	2,048
Other . . . . .	135	47	—	—	2	184
	<b>1,923</b>	<b>947</b>	<b>(493)</b>	<b>300</b>	<b>55</b>	<b>2,732</b>

At December 31, 2012, 2011 and 2010 the maturity of the fixed income securities is 2014.

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**9. Financial assets (Continued)**

*b) Current financial assets*

**b.1) Current loans and receivables**

The breakdown and movements in this category at December 2012, 2011 and 2010 are as follows:

Borrower	At December, 2011	Additions	Decreases	Transfers	Other movements	Translation differences	At December, 2012	Item	Return
(Thousands of euros)									
Esymo Metal, S.L. . . . .	6	—	(3)	—	—	—	3	Interest	—
Risteel Corporation B.V. . . . .	3,597	128	—	—	—	—	3,725	Loan	3.50%
Nano-Seven (project L47) . . . . .	1,532	—	(1,532)	765	—	—	765	Short-term loan and interest	8.50%
Genesis International, LLC . . . . .	20,377	—	(8,107)	—	(419)	(385)	11,466	Short-term loan and interest	4.50%
GMF Otomotiv Parçaları Sanayi ve Ticaret, L.S. . . . .	—	9,270	—	—	—	—	9,270		
Beyçelik, A.S. . . . .	—	6,573	—	—	—	—	6,573		
Essa Palau, S. A. . . . .	—	3,081	(3,000)	—	—	—	81		
Other . . . . .	6	147	(75)	—	10	(10)	78	—	—
	<b>25,518</b>	<b>19,199</b>	<b>(12,717)</b>	<b>765</b>	<b>(409)</b>	<b>(395)</b>	<b>31,961</b>		

\* Variable rate is referenced to the Euribor interest rate plus a spread of 2% for Risteel Corporación B.V., and 2.5% for Essa Palau, S.A.

\*\* Fixed rate between 4% and 8.5%

The amount of 9,270 thousand euros related to additions at December 31, 2012 correspond to:

- The group company Gestamp Servicios, S.A. granted loans to GMF Otomotiv Parçaları Sanayi ve Ticaret Limited Sirketi amounting to 3,500 thousand euros (January 25, 2012 and April 16, 2012). The loans earn an interest referenced to Euribor plus a spread of 2.5%.
- The Gestamp Metal Forming Subgroup granted a loan to GMF Otomotiv Parçaları Sanayi ve Ticaret Limited Sirketi amounting to 5,770 thousand euros. The loan earns a fixed interest between 5.5% and 6%.

The addition amounting to 6,573 thousand euros, receivable by the Gestamp Metal Forming Subgroup, arises from the purchase of the company GMF Otomotiv Parçaları Sanayi ve Ticaret Limited Sirketi by Beyçelik, A.S. The final payment is to be made on November 2013.

The addition and decrease amounting to 3,081 thousand euros and 3,000 thousand euros, respectively, correspond to a credit facility granted to Essa Palau, S.A. by the group company Metalbages, S.A. (September 20, 2012). The loan earned an interest referenced to Euribor plus a spread of 2.5%. The maturity date was December 14, 2012.

The decrease amounting to 8,107 thousand euros corresponds to the partial cancellation of the loan granted to Génesis international, Llc. by Gestamp North America, Inc.

Borrower	At December 31, 2010	Additions	Decreases	Transfers	Translation differences	At December 31, 2011	Item	Return
(Thousands of euros)								
Corporación Gestamp, S.L. . . . .	29,274	3,218	(22,548)	(9,944)	—	—	—	—
Portuguese Ministry of Finance . . . . .	1,081	—	(1,081)	—	—	—	—	—
ALHC, LLC. . . . .	14,193	—	(13,961)	—	(232)	—	—	—
Esymo Metal, S.L. . . . .	356	—	(350)	—	—	6	Interest	—
Risteel Corporation B.V. . . . .	—	3,597	—	—	—	3,597	Loan	3.50%
Nano-Seven (project L47) . . . . .	—	—	—	1,532	—	1,532	Short-term loan and interest	8.50%
Genesis International, LLC . . . . .	—	20,377	—	—	—	20,377	Short-term loan and interest	4.50%
Other . . . . .	56	—	(50)	—	—	6	—	—
	<b>44,960</b>	<b>27,192</b>	<b>(37,990)</b>	<b>(8,412)</b>	<b>(232)</b>	<b>25,518</b>		

Fixed rate is between 3.5% and 8.5%.

The decreases at December 31, 2011, mainly correspond to:

- Cancellation of short term debt of Corporación Gestamp, S.L. with the Company.

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**9. Financial assets (Continued)**

- Change in consolidation method for ALHC, LLC.: starting on January 1, 2011 the company is being fully consolidated (Note 4.1 and 4.2).

Borrower	At December 31, 2009	Additions	Decreases	Transfers	Translation differences	At December 31, 2010	Item	Return
			(Thousands of euros)					
Corporación Gestamp, S.L.	39,762		(10,488)			29,274	Credit line and interest	1 year Euribor + 0.40%
Gestamp Manufacturing Autochasis, S.L. . . . .	191		(191)			—	—	—
Portuguese Ministry of Finance . . . . .	1,081					1,081	Repayment of dividend withholdings	—
Ocon Automated System, S.L. . . . .	50		(50)			—	—	—
ALHC, LLC. . . . .	36,512	1,850	(26,734)	2,565		14,193	Loan	8.00%
Esymo Metal, S.L. . . . .	—	356				356	Short-term loan and interest	1 year Euribor + 1.35%
Other . . . . .	407	57	(409)	1		56	—	—
	<u>78,003</u>	<u>2,263</u>	<u>(37,872)</u>	<u>2,566</u>		<u>44,960</u>		

The decrease corresponds mainly to the partial cancellation of the loan granted by Gestamp North América, Inc. to the company ALHC, LLC.

In addition, the decrease corresponding to Gestamp Manufacturing Autochasis, S.L. at December 31, 2010 is related to the change to full consolidation as a result of the increase of the Group investment in the company from 50% to 100%.

**b.2) Current securities portfolio**

The breakdown of this heading at December 31, 2012, 2011, and 2010 is as follows:

Company	Class	2012		2011		2010	
		Return	Thousands of euros	Return	Thousands of euros	Return	Thousands of euros
Gestamp Automoción, S.L. . . . .	Deposit	—	—	—	—	2.5%	30,425
Gestamp Automotive India Private, Ltd. . . . .	Deposit	7.00%	6,914	—	—	—	—
Gestamp Brasil Industria de Autopeças, S.A. . . . .	Deposit	0.81%	5,499	0.91%	2,677	—	—
GS Hot Stamping Co, Ltd. . . . .	Deposit	—	—	3.10% - 3.40%	1,460	—	—
Other companies . . . . .	Interest	—	105	—	212	—	252
			<u>12,518</u>		<u>4,349</u>		<u>30,677</u>

The changes in 2012, 2011, and 2010 corresponds to renewals of very short term deposits of surplus cash balances so that these changes do not represent cash flows at the Group level.

**GESTAMP AUTOMOCIÓN, S.A. AND SUBSIDIARIES**  
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**9. Financial assets (Continued)**

**b.3) Other current financial investments**

The breakdown of this heading at December 31, 2012, 2011, and 2010 is as follows:

<b>Creditor company</b>	<b>Item</b>	<b>At December 31, 2011</b>	<b>Additions</b>	<b>Decreases</b>	<b>Transfers</b>	<b>Other movements</b>	<b>Translation differences</b>	<b>At December 31, 2012</b>
(Thousands of euros)								
Gestamp								
Alabama, Ll. . . .	Factory lease deposit	618		(5)			(12)	601
Autotech	Inter-company current							
Engineering, A.I.E.	account	2,000				(2,000)		—
Gestamp North								
America, Inc. . . .	Credit card guarantees	115					(2)	113
Beycelik, A.S. . . . .	Guarantees	144	4	(149)			6	5
Sungwoo Gestamp								
Hitech Pune								
Pvt. Ltd. . . . .	Guarantees	117	12				(5)	124
Sungwoo Gestamp								
Hitech	Deposits and							
(Chennai), Ltd. . .	guarantees	1,519	380	(1,550)		(30)	(83)	236
Gestamp Sungwoo								
Hitech Chennai								
Pvt. Ltd. . . . .	Guarantees	83		(3)		95	(5)	170
Gestamp South								
Carolina, Ll. . . .	Guarantees	372					(8)	364
Gestamp Automotive	Deposits and							
India Private Ltd. .	guarantees	356	24				(17)	363
Gestamp Sungwoo								
Stampings and								
Assemblies								
Pvt. Ltd. . . . .	Deposits and interest	—	2,432			41		2,473
Gestamp Baires, S.A.	Deposits	—	2,666					2,666
Other companies . . .	Other	293	721	(129)	8	911	(1)	1,803
		<b>5,617</b>	<b>6,239</b>	<b>(1,836)</b>	<b>8</b>	<b>(983)</b>	<b>(127)</b>	<b>8,918</b>

The additions related to the group company Gestamp Sungwoo Stampings and Assemblies, Private Ltd. (2,432 thousand euros) correspond to bank deposits and guarantees. These deposits earn an interest of 7.5%.

The additions related to the group company Gestamp Baires, S.A. (2,666 thousand euros) correspond to deposits. These deposits earn an interest between 14.04% and 15.04%.

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**9. Financial assets (Continued)**

The decreases corresponding to the group company Sungwoo Gestamp Hitech Chennai Ltd. (1,550 thousand euros) related to bank deposits; the balance at December 31, 2012 corresponds to deposits and guarantees pertaining to different items.

Creditor company	Item	At December 31, 2010	Additions	Decreases	Transfers	Other movements	Translation differences	At December 31, 2011
(Thousands of euros)								
Gestamp								
Alabama, LLC. . . .	Factory lease deposit	599		(1)			20	618
Autotech	Inter-company current							
Engineering, A.I.E.	account	2,000						2,000
Gestamp North								
America, Inc. . . .	Credit card guarantees	243		(136)			8	115
Beyçelik, A.S. . . . .	Guarantees	15	131				(2)	144
Sungwoo Gestamp								
Hitech Pune								
Pvt, Ltd. . . . .	Guarantees	92	37				(12)	117
Sungwoo Gestamp								
Hitech	Deposits and							
(Chennai), Ltd. . .	guarantees	1,544	17	153			(195)	1,519
Gestamp Sungwoo								
Hitech Chennai								
Pvt. Ltd. . . . .	Guarantees	52	38				(7)	83
Gestamp								
Chattanooga, LLC.	Guarantees	115			(119)		4	—
Gestamp South								
Carolina, LLC. . . .	Guarantees	—	372					372
Gestamp Automotive								
India Private Ltd. .	Guarantees	—	356					356
Other companies . . .	Other	68	268		(37)		(6)	293
		<b>4,728</b>	<b>1,219</b>	<b>16</b>	<b>(156)</b>	<b>—</b>	<b>(190)</b>	<b>5,617</b>

Creditor company	Item	At December 31, 2009	Additions	Decreases	Transfers	Other movements	Translation differences	At December 31, 2010
(Thousands of euros)								
Gestamp								
Alabama, LLC. . . .	Factory lease deposit	559					40	599
Autotech	Inter-company current							
Engineering, A.I.E.	account	2,000						2,000
Gestamp North								
America, Inc. . . .	Short term deposits	145	89				9	243
Beyçelik, A.S. . . . .	Deposits and							
	guarantees	3,417	14	(3,546)			130	15
Sungwoo Gestamp								
Hitech Pune								
Pvt, Ltd. . . . .	Guarantees	80	3				9	92
Sungwoo Gestamp								
Hitech	Deposits and							
(Chennai), Ltd. . .	guarantees	3,824	31	(2,749)			438	1,544
Gestamp Sungwoo								
Hitech Chennai								
Pvt. Ltd. . . . .	Guarantees	—	52					52
Adral, matricería y								
puesta a punto,								
S.L. . . . .	Short term deposits	300			(300)			—
Gestamp								
Chattanooga, LLC.	Guarantees	—	115					115
Other companies . . .	Other	187		(140)			21	68
		<b>10,512</b>	<b>304</b>	<b>(6,435)</b>	<b>(300)</b>	<b>—</b>	<b>647</b>	<b>4,728</b>

The decreases mainly correspond to the group company Beyçelik, A.S. (3,546 thousand euros) and Sungwoo Gestamp Hitech (Chennai), Ltd. (2,749 thousand euros) related to bank deposits.

**GESTAMP AUTOMOCIÓN, S.A. AND SUBSIDIARIES**  
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**10. Inventories**

The breakdown of inventories at December 31, 2012, 2011 and 2010 is as follows:

	<u>2012</u>	<u>2011</u>	<u>2010</u>
	(Thousands of euros)		
Commercial inventories . . . . .	10,929	18,919	11,793
Raw materials . . . . .	159,665	145,459	98,310
Parts and subassemblies . . . . .	34,215	33,982	17,865
Spare parts . . . . .	39,581	25,743	18,035
Packaging materials . . . . .	1,952	1,068	329
Total cost of raw materials and other consumables . . . . .	246,342	225,171	146,332
Work in progress . . . . .	116,742	77,740	28,010
Finished products . . . . .	110,796	114,882	61,330
Byproducts, waste, and recovered materials . . . . .	79	89	25
Prepayments to suppliers . . . . .	53,176	47,898	25,706
Total cost of inventories . . . . .	527,135	465,780	261,403
Impairment of raw materials . . . . .	(9,103)	(3,941)	(2,974)
Impairment of other consumables . . . . .	(6,686)	(5,246)	(1,995)
Impairment of work in progress . . . . .	(6,870)	—	—
Impairment of finished products . . . . .	(8,520)	(3,767)	(3,048)
Total impairment . . . . .	(31,179)	(12,954)	(8,017)
<b>Total inventories . . . . .</b>	<b><u>495,956</u></b>	<b><u>452,826</u></b>	<b><u>253,386</u></b>

The accrued impairment losses of raw materials and finished products at December 31, 2012 amount to 28,431 thousand euros (December 31, 2011: 7,975 thousand euros; December 31, 2010: 2,567 thousands of euros).

The impairment reversions of raw materials and finished products at December 31, 2012 amount to 9,934 thousands of euros (December 31, 2011: 3,039 thousand euros; December 31, 2010: 282 thousands of euros).

The inventories are not encumbered at year end 2012, 2011 and 2010.

**11. Trade and other receivables:**

The breakdown of “Trade and other receivables” in 2012, 2011 and 2010 is as follows:

	<u>Balance at December 31, 2012</u>	<u>Balance at December 31, 2011</u>	<u>Balance at December 31, 2010</u>
	(Thousands of euros)		
Trade receivables . . . . .	823,294	841,106	592,271
Other receivables . . . . .	30,106	38,753	32,673

**GESTAMP AUTOMOCIÓN, S.A. AND SUBSIDIARIES**  
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**11. Trade and other receivables: (Continued)**

a) Trade receivables:

The amounts and breakdown of “Trade receivables” at December 31, 2012, 2011 and 2010, are as follows:

	2012	2011	2010
	(Thousands of euros)		
Trade receivables . . . . .	620,824	621,954	421,032
Trade bills receivable . . . . .	32,096	46,295	56,026
Accounts receivable, tools . . . . .	150,039	140,170	96,005
Doubtful debts . . . . .	5,005	2,386	1,844
Impairment losses . . . . .	(12,015)	(12,246)	(7,043)
Trade receivables from Group companies . . . . .	27,345	42,547	24,407
	<u>823,294</u>	<u>841,106</u>	<u>592,271</u>

As indicated in Note 1, Group sales, as well as trade receivables balances are concentrated across a limited number of customers due to the nature of the automotive Industry. In general, trade receivable balances have high credit quality so overdue balances have little significance.

See Note 30 regarding credit risk of accounts receivables where it is explained how the Group values and manages the quality of credit of accounts receivables.

Impairment provision expense at December 31, 2012 amounts to 1,135 thousand euros (December 31, 2011: 1,633 thousand euros; December 31, 2010: 2,742 thousand euros) (Note 26.c). The impairment provision in 2011 mainly reflects the integration of the balances of companies from the Gestamp Metal Forming Subgroup.

The receivable balances transferred by the Group as non-recourse factoring to Spanish, German and Polish banks, that have been eliminated in the Consolidated Financial Statements amounted to 119,738 thousand euros at December 31, 2012 (December 31, 2011: 44,841 thousand euros).

In 2010 the risks of the receivable balances subject to factoring had not been totally transferred, thus these were considered recourse factoring, and were not eliminated in the consolidated financial statements.

The expense of transferring receivable balances according to the non-recourse factoring contract, amounted to 765 thousand euros in 2012, 314 thousand euros in 2011, nil in 2010.

b) Other receivables:

The amounts and breakdown of “Other receivables” at December 31, 2012, 2011 and 2010, are as follows:

	2012	2011	2010
	(Thousands of euros)		
Debtors . . . . .	28,384	37,220	31,547
Debtors, Group companies . . . . .	—	32	39
Remuneration advances . . . . .	1,512	1,108	1,010
Short-term loans to employees . . . . .	210	393	77
	<u>30,106</u>	<u>38,753</u>	<u>32,673</u>

**12. Other current assets:**

This line item, which at December 31, 2012 amounted to 8,731 thousand euros (at December 31, 2011 amounted to 9,172 thousand euros and at December 31, 2010 amounted to 4,229 thousand euros), mainly reflects insurance premiums, maintenance contracts, and software licenses paid for during the year but for which the expense will accrue the following year.



**GESTAMP AUTOMOCIÓN, S.A. AND SUBSIDIARIES**  
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**FOR THE YEARS ENDED DECEMBER 31, 2012, 2011 AND 2010 (Continued)**

**13. Cash and cash equivalents:**

	2012	2011	2010
	(Thousands of euros)		
Cash . . . . .	233,800	233,875	151,429
Cash equivalents . . . . .	13,766	26,178	185,622
	<u>247,566</u>	<u>260,053</u>	<u>337,051</u>

Cash equivalents correspond to surplus cash investments maturing in less than three months. The breakdown by currencies and interest rates at December 31, 2012, 2011 and 2010 is the following:

2012			
Company	Thousands of euros	Source currency	Interest rate range
Gestamp Brasil Industria de Autopeças, S.A. . . . .	961	Brazilian reais	10%
Gestamp Baires, S.A. . . . .	12,614	Argentine pesos	9.32% - 16.75%
Sungwoo Gestamp Hitech Chennai Ltd. . . . .	54	Indian rupees	9.25%
Gestamp Sungwoo Hitech (Chennai) Private, Ltd. .	86	Indian rupees	8%
Edscha subgroup . . . . .	51	euros	—
	<u>13,766</u>		

2011			
Company	Thousands of euros	Source currency	Interest rate range
Gestamp Paraná, S.A. . . . .	1,888	Brazilian reais	0.094% - 0.987%
Gestamp Sungwoo Hitech Chennai Pvt. Ltd. . . . .	218	Indian rupees	7.75% - 8.10%
Gestamp Baires, S.A. . . . .	10,896	Argentine pesos	20.00%
Gestamp Córdoba, S.A. . . . .	2,179	Argentine pesos	21.96%
Gestamp Sungwoo Stampings and Assemblies Pvt. Ltd. . . . .	2,997	Indian rupees	6.25%
Gestamp Severstal Kaluga, LLc . . . . .	8,000	Russian rubles	4.45%
	<u>26,178</u>		

2010			
Company	Thousands of euros	Source currency	Interest rate range
Gestamp Automoción, S.L. . . . .	169,656	Euros	0.84% - 3.50%
Gestamp Paraná, S.A. . . . .	12,547	Brazilian reais	0.15% - 0.94%
Gestamp Baires, S.A. . . . .	1,983	Argentine pesos	11.25%
Gestamp Sungwoo Automotive (Chennai) Pvt. Ltd.	748	Indian rupees	5.25% - 5.50%
Sungwoo Gestamp Hitech Chennai Ltd. . . . .	674	Indian rupees	3.00% - 6.00%
Other . . . . .	14		
	<u>185,622</u>		

The amounts included in this heading of the attached consolidated balance sheet are not encumbered.

**GESTAMP AUTOMOCIÓN, S.A. AND SUBSIDIARIES**  
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**14. Issued capital and share premium**

The “Issued capital” and “Share premium” in 2012, 2011 and 2010 are as follows:

<u>ITEM</u>	<u>December 31, 2012</u>	<u>December 31, 2011</u>	<u>December 31, 2010</u>
No. of shares . . . . .	4,795,953	4,795,953	4,795,953
Par value . . . . .	60.1	60.1	60.1
<b>Thousands of euros</b>			
Issued capital: . . . . .	—	—	—
Issued capital (par value) . . . . .	288,237	288,237	288,237
	<b>288,237</b>	<b>288,237</b>	<b>288,237</b>
Share premium . . . . .	<b>61,591</b>	<b>61,591</b>	<b>61,591</b>
Total issued capital+share premium . . . . .	<u>349,828</u>	<u>349,828</u>	<u>349,828</u>

**a) Share capital**

At December 31, 2012, 2011 and 2010, the Company’s share capital is represented by 4,795,953 indivisible and cumulative equity units with a par value of 60.10 euros each, fully subscribed and paid in, and all carrying the same rights and obligations.

As indicated in Note 4.2, on August 02, 2012 the Company has registered the change of its legal status, from that of a limited company to a corporation, so the equity units became registered shares.

The shareholder structure at December 31, 2012, 2011 and 2010 is as follows:

<u>Shareholders</u>	<u>shareholding</u>
Corporación Gestamp, S.L. . . . .	54.25%
ArcelorMittal Spain Holding, S.L. . . . .	24.18%
ArcelorMittal Basque Holding, S.L. . . . .	10.82%
Risteel Corporation, B.V. . . . .	10.75%

There are no bylaw restrictions on the transfer of the non-voting equity units and they are not listed.

**b) Share premium**

The amended Spanish Corporate Enterprises Act expressly permits the use of paid-in surplus capital to increase share capital balance, corresponding to an unrestricted reserve.

The Group’s share premium movement is as follows:

	<u>Share Premium</u>	<u>Thousands of euros</u>	<u>Total accumulated</u>
1998 . . . . .		17,048	17,048
2001 . . . . .		1,652	18,700
2003 . . . . .		6,583	25,283
2007 . . . . .		36,308	61,591

At December 31, 2012, 2011 and 2010 the Company’s share premium, as per its individual financial statements, amounted to 61,591 thousand euros.

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**15. Reserves and retained earnings**

The changes in “Retained earnings” in 2012, 2011 and 2010 are as follows:

	Reserves and retained earnings							
	Legal reserve	Goodwill reserves	Unrestricted reserves	Reserves at fully consolidated entities (In thousands of euros)	Reserves at associates	Profit for the year	Effective hedges	Total
<b>AT DECEMBER 31, 2009 . .</b>	<b>22,520</b>	<b>458</b>	<b>190,953</b>	<b>364,588</b>	<b>225</b>	<b>30,972</b>	<b>(15,352)</b>	<b>594,364</b>
Profit for 2010 . . . . .						111,354		111,354
Fair value adjustments reserve (hedge) . . . . .							4,171	4,171
Adjustments due to tax criteria changes . . . . .				2,861				2,861
Appropriation of 2009 profits . . . . .	4,764	571	44,121	(18,539)	55	(30,972)		—
Dividends paid by subsidiaries . . . . .			28,236	(28,236)				—
Dividends distributed . . . . .			(9,292)	(96)				(9,388)
Movements in consolidation scope . . . . .			(1,752)	4,307	(216)			2,339
Reclassification of interest from participative loans . .			(5,973)	5,973				—
<b>AT DECEMBER 31, 2010 . .</b>	<b>27,284</b>	<b>1,029</b>	<b>246,293</b>	<b>330,858</b>	<b>64</b>	<b>111,354</b>	<b>(11,181)</b>	<b>705,701</b>
Profit for 2011 . . . . .						168,486		168,486
Fair value adjustments reserve (hedge) . . . . .							(10,008)	(10,008)
Appropriation of 2010 profits . . . . .	5,485	571	(4,428)	108,838	888	(111,354)		—
Dividends distributed . . . . .			(33,404)					(33,404)
Interest from participative loans . . . . .			15,075	(15,075)				—
Movements in consolidation scope . . . . .				1,587	(1,019)			568
Other movements . . . . .				127				127
<b>AT DECEMBER 31, 2011 . .</b>	<b>32,769</b>	<b>1,600</b>	<b>223,536</b>	<b>426,335</b>	<b>(67)</b>	<b>168,486</b>	<b>(21,189)</b>	<b>831,470</b>
Profit for December 2012 . .						170,141		170,141
Fair value adjustments reserve (hedge) . . . . .							(2,289)	(2,289)
Actuarial gains and losses . .				(5,556)				(5,556)
Appropriation of 2011 profits . . . . .	362	571	28,239	141,736	(2,422)	(168,486)		—
Dividends distributed . . . . .			(50,549)					(50,549)
Movements in consolidation scope . . . . .				(1,258)				(1,258)
Interest from participative loans . . . . .			12,476	(12,476)				—
<b>AT DECEMBER 31, 2012 . .</b>	<b>33,131</b>	<b>2,171</b>	<b>213,702</b>	<b>548,781</b>	<b>(2,489)</b>	<b>170,141</b>	<b>(23,478)</b>	<b>941,959</b>

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**15. Reserves and retained earnings (Continued)**

**15.1 Legal reserve of the Company**

According to the revised text of the Spanish Corporation Law, companies must transfer 10% of profits for the year to a legal reserve until this reserve reaches the equivalent of at least 20% of capital.

The legal reserve can be used to increase capital by the amount exceeding 10% of the new capital after the increase. Otherwise, until the legal reserve exceeds 20% of share capital, it can only be used to offset losses, provided that sufficient other reserves are not available for this purpose.

**15.2 Unrestricted Company reserves**

The unrestricted reserves correspond to the Group individual financial statements plus its consolidation adjustments.

**15.3 Availability of reserves at fully consolidated entities**

Reserves held by companies consolidated under the full consolidation method are subject to a number of restrictions as to their availability depending on whether they are legal reserves, revaluation reserves, or other special reserves.

*Significant movements occurred in 2012, 2011 and 2010:*

- Fair value hedges.

Under this epigraph the Group recognizes the gains or loss that has been established as effective hedges for the variability of cash flows attributable to the risk associated with the assets and liabilities shown in the Balance Sheet. In 2012 the Company has recognized 2,289 thousands euros as gains from these hedges, whereas in 2011 and 2010, hedging generated gains of 10,008 thousand euros and 4,171 thousand euros, respectively.

- Dividends paid by subsidiaries to the Company.
- Dividends distributed.

The dividends distributed and paid off by the Company to its shareholders during 2012, 2011, and 2010 are shown in the following table:

<u>Company</u>	<u>2012</u>	<u>2011</u>	<u>2010</u>
	<b>(Thousands of euros)</b>		
Corporación Gestamp, S.L. . . . .	27,420	18,122	5,041
ArcelorMittal Spain Holding, S.L. . . . .	12,221	8,077	2,247
ArcelorMittal Basque Holding, S.L. . . . .	5,471	3,614	1,005
Risteel Corporation, B.V. . . . .	5,437	3,591	999
<b>Total . . . . .</b>	<b>50,549</b>	<b>33,404</b>	<b>9,292</b>
<i>Number of shares ('000s) . . . . .</i>	4,796	4,796	4,796
<b>Dividends in euros per share . . . . .</b>	<b>10.54</b>	<b>6.96</b>	<b>1.94</b>

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**16. Translation differences**

The breakdown by year of this line item by company included in the consolidation scope is as follows:

<u>Company</u>	<u>2012</u>	<u>2011</u>	<u>2010</u>
	(Thousands of euros)		
<b>ARGENTINA</b>			
Gestamp Córdoba, S.A. . . . .	(19,944)	(16,551)	(15,187)
Gestamp Argentina, S.A. . . . .	3,619	3,783	3,889
Gestamp Baires, S.A. . . . .	(20,023)	(10,156)	(7,560)
<b>BRAZIL</b>			
Gestamp Brasil Industria de Autopeças, S.A. . . . .	25,038	47,591	63,812
<b>UNITED KINGDOM</b>			
Gestamp UK Limited . . . . .	2,936	2,919	2,817
Continental Group Ltd. . . . .	—	(195)	(8)
Gestamp Tooling Overseas, Ltd. . . . .	—	(48)	32
<b>POLAND</b>			
Gestamp Polska, S.P., Zoo . . . . .	(12,821)	(17,053)	(18,397)
<b>HUNGARY</b>			
Gestamp Hungaria KFT . . . . .	(7,240)	(7,360)	(3,077)
Gestamp Mor . . . . .	(1)	—	—
<b>USA</b>			
Gestamp Alabama, LLC . . . . .	(8,430)	(3,928)	(8,688)
Gestamp Mason, LLC . . . . .	692	(2,884)	(2,446)
Gestamp North America, INC . . . . .	(1,744)	718	1,366
Gestamp Chattanooga LLC . . . . .	(732)	(818)	(19)
ALHC, LLC. . . . .	1,153	1,131	—
Gestamp South Carolina, LLC. . . . .	(860)	(15)	—
Gestamp West Virginia, LLC . . . . .	82	—	—
<b>SWEDEN</b>			
Gestamp Sweden, AB . . . . .	6,579	6,192	5,039
Gestamp HardTech AB . . . . .	2,901	1,774	(251)
Gestamp Holding China AB . . . . .	388	390	392
<b>MEXICO</b>			
Gestamp México, S.A. de CV . . . . .	(4,981)	(6,084)	(4,579)
Gestamp MSL, S.A. de CV . . . . .	(12)	(30)	(8)
Gestamp Cartera de México, S.A de CV . . . . .	(243)	(295)	(234)
Gestamp Puebla, S.A. de CV . . . . .	(10,700)	(11,047)	(8,606)
Mexicana Servicios Laborales, S.A. de CV . . . . .	(14)	(20)	(13)
Gestamp Toluca, S.A. de CV . . . . .	(2,066)	(2,076)	(679)
Gestamp Serv. Laborales de Toluca, S.A. de CV . . . . .	5	3	6
<b>CHINA</b>			
Gestamp Auto Components (Kunshan) Co., Ltd . . . . .	8,505	8,197	3,095
Gestamp Auto Components (Shenyang) Co.,Ltd. . . . .	(678)	—	—
Gestamp Auto Components (Dongguan) Co.,Ltd. . . . .	(323)	—	—
<b>INDIA</b>			
Gestamp Services India Private, Ltd. . . . .	(90)	18	(11)
Gestamp Automotive India Private Ltd. . . . .	(923)	810	3,687
Sungwoo Gestamp Hitech Pune, Ltd. . . . .	203	179	430
Sungwoo Gestamp Hitech Chennai, Ltd. . . . .	(1,347)	(318)	987
Gestamp Sungwoo Hitech (Chennai) Private, Ltd. . . . .	(906)	(208)	181
Gestamp Sungwoo Stampings & Assemblies Private Limited . . . . .	(487)	(304)	—
<b>KOREA</b>			
Kartek Corporation . . . . .	490	508	(975)
GS Hot Stamping Co., Ltd. . . . .	254	75	(47)
<b>TURKEY</b>			
Beyçelik, A.S. . . . .	(12,068)	(14,364)	(2,049)
GMF Otomotiv Parçaları Sanayi ve Ticaret Limited Sirketi . . . . .	150	—	—
<b>RUSSIA</b>			
Gestamp Severstal Vsevolozhsk LLC . . . . .	2,117	862	1,315
Gestamp Severstal Kaluga, SRL . . . . .	1,708	219	896
Gestamp Togliatti, LLC. . . . .	50	(5)	—
<b>CZECH REPUBLIC</b>			
Gestamp Louny, S.R.O. . . . .	(285)	172	—
<b>OTHERS</b>			
Others . . . . .	9,343	3,943	1,901
<b>TOTAL</b> . . . . .	<u>(40,705)</u>	<u>(14,275)</u>	<u>17,011</u>

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**17. Non-controlling interest**

The changes in “Equity attributable to non- controlling interest” by company in 2012, 2011 and 2010 were as follows:

Company	At December 31, 2011	Translation differences	Transfer of fully consolidated reserves	Increases	Decreases	Other movements	Profit (loss)	At December 31, 2012
				(Thousands of euros)				
Griwe Subgroup . . . . .	2,217						99	2,316
Autotech Engineering, A.I.E. . . . .	2,661						58	2,719
Mexicana Serv. Laborales, S.A. de C.V. . . . .	124	3					15	142
Gestamp México, S.A. de C.V. . . . .	10,805	593					840	12,238
Gestamp Puebla, S.A. de C.V. . . . .	24,682	1,434					4,115	30,231
Gestamp Mexicana Serv. Lab., S.A. de C.V. . . . .	445	10					99	554
Gestamp Toluca S.A. de C.V. . . . .	5,211	15					1,797	7,023
Gestamp Servicios Lab. de Toluca S.A. de C.V. . . . .	21	1				(24)	32	30
Gestamp Cartera de México, S.A. de C.V. . . . .	587	27					(1)	613
Gestamp Finance Luxemburgo, S.A. Todlem, S.L./ Gestamp Seversta Vsevolozhsk Llc./Gestamp Stadco Holding, S.L./Gestamp Severstal Kaluga, Llc. . . . .	50							50
Gestamp Holding Rusia, S.L. . . . .	20,241	1,924	695	6,502		(1,665)	4,844	32,541
Gestamp Auto Components (Kunshan) Co., Ltd/Gestamp Holding China, AB . . . . .	24,408		73			(2)	(9)	24,470
GS Hot-Stamping Co. Ltd. . . . .	13,421	(156)					2,478	15,743
Edscha subgroup . . . . .	—							—
Araluce, S.A. . . . .	15,703	(681)	(38)			1,158	(31)	16,111
Matricerías Deusto S.L. . . . .	7,091		42			102	158	7,393
Adral Matricería y Pta. a punto , S.L. . . . .	8,621		158			34	(172)	8,641
Gestamp Tooling Services, AIE . . . .	3,982					(323)	850	4,509
Gestamp Global Tooling, S.L. . . . .	(156)					12	(75)	(219)
Gestamp Tool Hardening, S.L. . . . .	101					134	223	458
Loire, S.A. Franco Española . . . . .	(100)					4	342	246
Bero Tools, S.L. . . . .	—				(106)			(6)
Die Diede Development, S.L. . . . .	100				(698)	(20)	23	(191)
Gestamp Metal Forming Subgroup . .	535		(31)					
Gestamp Louny, S.R.O. . . . .	136,139	1,489			(4,425)	—	378	133,581
Gestamp Autocomponents (Dongguan) Co. Ltd. . . . .	—	(7)	(2)					(9)
Gestamp Sungwoo Hitech (Chennai) Private Ltd. . . . .	—	(13)					(77)	(90)
	—						7	7
	<u>276,889</u>	<u>4,639</u>	<u>897</u>	<u>6,502</u>	<u>(5,229)</u>	<u>(590)</u>	<u>15,993</u>	<u>299,101</u>

The transfers of fully consolidated reserves correspond mainly to the capital increase at Gestamp Holding Rusia, S.L. not pro rata subscribed by its shareholders.

The increases arise from the capital increase at Todlem, S.L. subscribed by non-controlling interest.

The decreases in 2012 correspond to:

- the reduction of the percentage of non-controlling interests of the group companies Bero Tools, S.L. and Diede Die Development, S.L. following acquisition of that percentage by the Group in 2012.
- the reduction of non-controlling interest due to the allocation of actuarial losses to the Equity of the Gestamp Metal Forming Subgroup.

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**17. Non-controlling interest (Continued)**

“Other movements” in the period ended December 31, 2012 correspond to profit (loss) adjustments attributable to non-controlling interests in 2011.

Company	At December 31, 2010	Additions consolidation scope	Translation differences	Transfer of fully consolidated reserves	Increases	Decreases	Other movements	Profit (loss)	At December 31, 2011
				(Thousands of euros)					
Griwe Subgroup . . . . .	2,015							202	2,217
Autotech Engineering, A.I.E. . . . .	2,938							(277)	2,661
Mexicana Serv. Laborales, S.A. de C.V. .	115		(3)					12	124
Gestamp México, S.A. de C.V. . . . .	10,631		(810)					984	10,805
Gestamp Puebla, S.A. de C.V. . . . .	22,766		(1,957)				4	3,869	24,682
Gestamp Mexicana Serv. Lab., S.A. de C.V. . . . .	395		(12)				(1)	63	445
Gestamp Toluca S.A. de C.V. . . . .	5,392		(762)				(1)	582	5,211
Gestamp Servicios Lab. de Toluca S.A. de C.V. . . .	17		(1)				(20)	25	21
Gestamp Cartera de México, S.A. de C.V. . . .	14		(28)					601	587
Gestamp Finance Luxemburgo, S.A. . . . .	50								50
Todlem, S.L./ Gestamp Seversta Vsevolozhsk Llc./ Gestamp Stadco Holding, S.L./Gestamp Severstal Kaluga, Llc. . . . .	18,022		(847)	(39)			(252)	3,357	20,241
Gestamp Holding Rusia, S.L. . . . .	24,416			(8)					24,408
Gestamp Auto Components (Kunshan) Co., Ltd/ Gestamp Holding China, AB . . . . .	9,866		1,092				(14)	2,477	13,421
GS Hot-Stamping Co. Ltd.	2,568		65			(2,633)			—
Edscha subgroup . . . . .	12,181		562	(613)	2,000		(540)	2,113	15,703
Araluce, S.A. . . . .	8,794			21			96	(1,820)	7,091
Matricerías Deusto S.L. . .	10,484			143			89	(2,095)	8,621
Adral Matricería y Pta. a punto, S.L. . . . .	3,292						52	638	3,982
Gestamp Tooling Services, AIE . . . . .	49			(72)			(1)	(132)	(156)
Gestamp Global Tooling, S.L. . . . .	62							39	101
Gestamp Tool Hardening, S.L. . . . .	—							(100)	(100)
Bero Tools, S.L. . . . .	—	100							100
Die Diede Development, S.L. . . . .	—	512					(42)	65	535
Gestamp Metal Forming Subgroup . . . . .	—		3,637		138,977			(6,475)	136,139
	<u>134,067</u>	<u>612</u>	<u>936</u>	<u>(568)</u>	<u>140,977</u>	<u>(2,633)</u>	<u>(630)</u>	<u>4,128</u>	<u>276,889</u>

The additions in 2011 correspond to:

- the addition of non-controlling interest arising from the capital increase at Edscha España Holding, S.L., part of the Edscha Subgroup.

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**17. Non-controlling interest (Continued)**

- the addition of non-controlling interest arising from the capital increase (212,000 thousand euros) at GMF Holding, GmbH (parent company of Gestamp Metal Forming Subgroup) on December 6, 2011. Via this capital increase, Tocqueville Capital Company B.V. (belonging to Liberty Hampshire Company, LLC. Group, or “Liberty”) which subscribed an amount of 104,000 thousand euros, acquired a 49.06% shareholding in this company.

According to the agreement between Gestamp Automoción Group and Liberty, the former owns a purchase option exercisable in 2013. The Group has decided to register this addition to capital as a non-controlling interest in Gestamp Metal Forming Subgroup, given that before any exercise of the purchase option (if executed); the company GMF Holding GmbH will distribute accumulated reserves according to the shareholding percentages.

The cost of the purchase option amounted to 1,900 thousand euros and the fair value at December 31, 2011 was the cost value. The fair value at December 31, 2012 is 859 thousand euros.

In addition, a capital increase in Sofedit, S.A.S. on December 28, 2011 by which Le Fonds de Modernisation des Equipementiers Automobiles (FMEA) acquired a 35% shareholding, resulted non-controlling interest.



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**17. Non-controlling interest (Continued)**

Decreases in non controlling interest correspond to the company GS Hot-Stamping Co. Ltd. as a result of the change in 2011 of the relevant consolidation method from full to proportionate consolidation (Note 4.1).

Company	At December 31, 2009	Additions	Translation differences	Change in percentage of external interest or due to capital increases	Other movements	Profit (loss)	At December 31, 2010
(Thousands of euros)							
Griwe Subgroup . . . . .	1,707					308	2,015
Autotech Engineering, A.I.E. . .	2,783					155	2,938
Mexicana Serv. Laborales, S.A. de C.V. . . . .	106		4			5	115
Gestamp México, S.A. de C.V. .	9,493		1,034			104	10,631
Gestamp Puebla, S.A. de C.V. .	19,431		2,336		21	978	22,766
Gestamp Mexicana Serv. Lab., S.A. de C.V. . . . .	349		9			37	395
Gestamp Toluca S.A. de C.V. . .	4,298		637		(11)	468	5,392
Gestamp Servicios Lab. de Toluca S.A. de C.V. . . . .	5				(12)	24	17
Gestamp Cartera de México, S.A. de C.V. . . . .	15		1			(2)	14
Gestamp Finance Luxemburgo, S.A. . . . .	50						50
Todlem, S.L./ Gestamp Seversta Vsevolozhsk Llc./Gestamp Stadco Holding, S.L./Gestamp Severstal Kaluga, Llc. . . . .	18,003		1,640	1,391	(64)	(2,948)	18,022
Gestamp Holding Rusia, S.L. . .	24,423					(7)	24,416
Gestamp Auto Components (Kunshan) Co., Ltd/Gestamp Holding China, AB . . . . .	—	11,277	870	(4,192)		1,911	9,866
GS Hot-Stamping Co. Ltd. . . .	—	2,821	(65)			(188)	2,568
Edscha subgroup . . . . .	—	10,979				1,202	12,181
Araluce, S.A. . . . .	—	9,316				(522)	8,794
Matricerías Deusto S.L. . . . .	—	10,821				(337)	10,484
Adral Matricería y Pta. a punto, S.L. . . . .	—	2,899				393	3,292
Gestamp Tooling Services, AIE .	—	(36)				85	49
Gestamp Global Tooling, S.L. .	—					62	62
	<u>80,663</u>	<u>48,077</u>	<u>6,466</u>	<u>(2,801)</u>	<u>(66)</u>	<u>1,728</u>	<u>134,067</u>

The additions in 2010 correspond to the investment by Cofides in China, Ekarken's investment in the die cutting production companies, as well as the addition of non-controlling interest derived from the Edscha Subgroup acquisition (Annex I).

**18. Earnings per share**

Basic earnings per share amounts are calculated by dividing profit for the year attributable to equity holders of the parent company by the weighted average number of common shares outstanding during the year.

The Company did not carry out any transactions that would dilute earnings per share in 2012, 2011 and 2010. Therefore, basic and diluted earnings per share amounts are the same.

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**18. Earnings per share (Continued)**

Basic earnings per share attributable to equity holders of the parent company are calculated as follows:

	<u>2012</u>	<u>2011</u>	<u>2010</u>
	(Thousands of euros)		
Profit from continuing operations attributable to equity holders of the parent . . . . .	170,141	168,486	111,354
Profit for the year attributable to equity holders of the parent . . . . .	170,141	168,486	111,354
Weighted average number of ordinary shares for basic earnings per share ('000s) . .	4,796	4,796	4,796
Basic and diluted earnings per share . . . . .	35.48 €	35.13 €	23.22 €

**19. Deferred income**

Deferred income includes grants relating to assets obtained by Group subsidiaries pending release to the consolidated income statement.

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**19. Deferred income (Continued)**

The breakdown of this heading at December 31, 2012, 2011 and 2010 including the movements during the year, is as follows:

Company	At December 31, 2011	Additions consolidation scope	Additions	Released income	Translation differences taken to income statement	Other movements	At December 31, 2012
(Thousands of euros)							
Estampaciones Metálicas							
Vizcaya, S.A. . . . .	2,487			(245)			2,242
Gestamp Vigo, S.A. . . . .	5,155			(1,059)			4,096
Gestamp Toledo, S.L. . . . .	2,649		497	(363)			2,783
Gestamp Palencia, S.A. . . . .	3,836			(366)			3,470
Gestamp Linares, S.A. . . . .	1,174			(109)			1,065
Galvanizaciones Castellana, S.A.	110			(12)			98
Gestamp Puebla, S.A. de C.V. . .	262			(34)	17		245
Gestamp Aveiro, S.A. . . . .	205		822	(695)			332
Gestamp Navarra, S.A. . . . .	2,263			(266)			1,997
Gestamp Solblank Navarra, S.L.	79			(15)			64
MB Aragón, S.A. . . . .	896			(93)			803
MB Abrera, S.A. . . . .	1,542			(139)			1,403
Metalbages, S.A. . . . .	158			(17)			141
Solblank, S.A. . . . .	177			(43)			134
Gestamp UK, Ltd. . . . .	382			(392)	10		—
MB Levante, S.A. . . . .	825			(100)			725
Gestamp Hungaria KFT . . . . .	249			(16)	16		249
Griwe Subgroup . . . . .	3,105		682	(561)		(1)	3,225
Gestamp Cataforesis Vigo, S.A. .	450			(105)			345
Kartek Corporation . . . . .	39			(10)			29
Gestamp Manufacturing							
Autochasis, S.L. . . . .	194			(18)			176
Adral, matriceria y pta.							
a punto, S.L. . . . .	240					(48)	192
Sungwo Gestamp Hitech							
Chennai Ltd. . . . .	11				(1)		10
Estampaciones Martinez, S.A. . .	11			(3)			8
Beyçelik, A.S. . . . .	85		65		4		154
Edscha Subgroup . . . . .	2,630		2,328	(77)		(279)	4,602
Gestamp Metal Forming							
Subgroup . . . . .	259			(130)			129
Loire Sociedad Anónima Franco							
Española . . . . .	246		22	(21)		96	343
Diede Die Developments, S.L. . .	548			(45)		(82)	421
	0						
Total . . . . .	<u>30,267</u>	<u>—</u>	<u>4,416</u>	<u>(4,934)</u>	<u>46</u>	<u>(314)</u>	<u>29,481</u>

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**19. Deferred income (Continued)**

<u>Company</u>	<u>At December 31, 2010</u>	<u>Additions consolidation scope</u>	<u>Additions</u>	<u>Released income</u>	<u>Translation differences taken to income statement</u>	<u>Other movements</u>	<u>At December 31, 2011</u>
	(Thousands of euros)						
Estampaciones Metálicas							
Vizcaya, S.A. . . . .	2,694		358	(565)			2,487
Gestamp Vigo, S.A. . . . .	6,171		775	(1,791)			5,155
Gestamp Toledo, S.L. . . . .	3,009		433	(429)		(364)	2,649
Gestamp Palencia, S.A. . . . .	4,292			(456)			3,836
Gestamp Linares, S.A. . . . .	1,269		24	(119)			1,174
Galvanizaciones Castellana, S.A.	134			(24)			110
Gestamp Puebla, S.A. de C.V. . .	321			(33)	(26)		262
Gestamp Aveiro, S.A. . . . .	1		1,902	(1,698)			205
Gestamp Navarra, S.A. . . . .	2,419		229	(385)			2,263
MB Solblank Navarra, S.L. . . . .	503			(81)		(343)	79
MB Aragón, S.A. . . . .	742			(189)		343	896
MB Abrera, S.A. . . . .	1,227		602	(287)			1,542
Metalbages, S.A. . . . .	192			(34)			158
Solblank, S.A. . . . .	255			(60)		(18)	177
Gestamp UK, Ltd. . . . .	—			(366)	(15)	763	382
MB Levante, S.A. . . . .	1,011			(186)			825
Gestamp Hungaria KFT . . . . .	297			(17)	(31)		249
Griwe Subgroup . . . . .	2,847		785	(527)			3,105
Gestamp Cataforesis Vigo, S.A. .	559			(109)			450
Gestamp Mason, Llc. . . . .	78				(1)	(77)	—
Kartek Corporation . . . . .	55			(15)	(1)		39
Gestamp Manufacturing							
Autochasis, S.L. . . . .	36		231	(73)			194
Adral, matriceria y pta. a punto, S.L. . . . .	320					(80)	240
Sungwo Gestamp Hitech							
Chennai Ltd. . . . .	12				(1)		11
Estampaciones Martinez, S.A. . .	14			(3)			11
Távol España . . . . .	232					(232)	—
Beycelik A.S . . . . .	19		69		(3)		85
Edscha Subgroup . . . . .	—		2,282			348	2,630
Gestamp Metal Forming							
Subgroup . . . . .	—	307		(48)			259
Loire Sociedad Anónima Franco							
Española . . . . .	—	263		(17)			246
Diede Die Developments, S.L. . .	—	571		(23)			548
<b>Total . . . . .</b>	<b>28,709</b>	<b>1,141</b>	<b>7,690</b>	<b>(7,535)</b>	<b>(78)</b>	<b>340</b>	<b>30,267</b>

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**19. Deferred income (Continued)**

<u>Company</u>	<u>At December 31, 2009</u>	<u>Additions consolidation scope</u>	<u>Additions</u>	<u>Released income</u>	<u>Translation differences taken to income statement</u>	<u>Other movements</u>	<u>At December 31, 2010</u>
	(Thousands of euros)						
Estampaciones Metálicas							
Vizcaya, S.A. . . . .	1,946		799	(51)			2,694
Gestamp Vigo, S.A. . . . .	7,400		224	(1,453)			6,171
Gestamp Toledo, S.L. . . . .	2,346		974	(72)		(239)	3,009
Gestamp Palencia, S.A. . . . .	4,333		264	(305)			4,292
Gestamp Linares, S.A. . . . .	1,388			(119)			1,269
Galvanizaciones Castellana, S.A.	130			5		(1)	134
Gestamp Puebla, S.A. de C.V. . .	307			(26)	40		321
Gestamp Aveiro, S.A. . . . .	1						1
MB Hidroacero, S.A. . . . .	870			(218)			652
MB Solblank Navarra, S.L. . . . .	258		1,936	(427)			1,767
MB Aragón, S.A. . . . .	242		343	(82)			503
MB Abrera, S.A. . . . .	717			25			742
Metalbages, S.A. . . . .	219		1,000	8			1,227
Solblank, S.A. . . . .	186			6			192
Gestamp UK, Ltd. . . . .	188		118	(51)			255
MB Levante, S.A. . . . .	991			20			1,011
Gestamp Hungaria KFT . . . . .	326			(21)	(8)		297
Griwe Subgroup . . . . .	1,916		2,153	(1,222)			2,847
Gestamp Cataforesis Vigo, S.A. .	669			(110)			559
Gestamp Mason, Llc. . . . .	146				11	(79)	78
Kartek Corporation . . . . .	77			(30)	8		55
Gestamp Manufacturing							
Autochasis, S.L. . . . .	42	29		(35)			36
Adral, matriceria y pta. a punto, S.L. . . . .	381			(61)			320
Sungwo Gestamp Hitech							
Chennai Ltd. . . . .	11				1		12
Estampaciones Martinez, S.A. . .			14				14
Távol España . . . . .			232				232
Beycelik A.S . . . . .			19				19
<b>Total . . . . .</b>	<u>25,090</u>	<u>29</u>	<u>8,076</u>	<u>(4,219)</u>	<u>52</u>	<u>(319)</u>	<u>28,709</u>

The additions recognized in 2012, 2011 and 2010 correspond to grants received from public authorities for investments in plant and equipment and job creation.

The Group companies have met all the requirements attaching to these grants to qualify as non-reimbursable grants.

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**20. Provisions**

The breakdown of non-current and current provisions in 2012, 2011 and 2010 is as follows:

	Non-current			Current		
	2012	2011	2010	2012	2011	2010
Provisions for retributions to employees . . . . .	62,873	56,101	7,494	3,615	10,568	—
Provisions for taxes . . . . .	4,876	3,811	5,446	—	—	—
Provisions for dismantlement and retirement of tangible fixed assets . . . . .	589	1,322	720	—	—	—
Other provisions . . . . .	98,884	110,253	105,322	11,505	48,598	44,559
	<u>167,222</u>	<u>171,487</u>	<u>118,982</u>	<u>15,120</u>	<u>59,166</u>	<u>44,559</u>

The changes in “Provisions” during 2012, 2011 and 2010 are as follows:

	Non-current	Current
	(Thousands of euros)	
Balance at December 31, 2009 . . . . .	34,903	2,434
Additions to scope . . . . .	89,016	36,704
Increase in allowance . . . . .	4,593	8,276
Applications . . . . .	(9,659)	(675)
Translation differences . . . . .	374	164
Other movements . . . . .	(245)	(2,344)
Balance at December 31, 2010 . . . . .	<u>118,982</u>	<u>44,559</u>
Additions to scope . . . . .	74,024	13,065
Increase in allowance . . . . .	6,505	44,105
Applications . . . . .	(27,080)	(42,149)
Translation differences . . . . .	504	(102)
Other movements . . . . .	(1,448)	(312)
Balance at December 31, 2011 . . . . .	<u>171,487</u>	<u>59,166</u>
Additions to scope . . . . .	—	—
Increase in allowance . . . . .	16,807	6,868
Applications . . . . .	(20,554)	(44,322)
Translation differences . . . . .	(51)	(579)
Other movements . . . . .	(467)	(6,013)
Balance at December 31, 2012 . . . . .	<u>167,222</u>	<u>15,120</u>

This line item primarily reflects employee compensation and provisions recognized by certain Group companies to cover specific risks arising from their day-to-day businesses and potential liabilities relating to tax assessments which are currently being appealed, among other items.

*Non-current provisions*

Increases of non-current provisions in 2011 and 2012 correspond mainly to post-retirement benefits (Note 21), liabilities relating to differences in the interpretation of tax matters, and long-term employee compensation.

Applications in non-current provisions in 2011 and 2012 mainly reflect:

- Applications of provisions set aside in earlier periods for potential liabilities relating to tax assessments.
- Liabilities from onerous contracts of the Edscha Subgroup and of Gestamp Vendas Novas Lda.

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**20. Provisions (Continued)**

- Workforce restructuring in Edscha Santander, S.L., Edscha Burgos, S.L., Edscha Briey, S.A.S. and Tallent Automotive, Ltd.
- Application of long term employee compensation provision.

Applications of non-current provisions included in the Consolidated Income Statement under the heading “Other operating expenses” amount to 8,100 thousand euros (2011: 12,321 thousand euros) (Note 26.c).

Non-current provisions will be applied in the long term when the risk that these provisions are covering will arise or disappear.

*Current provisions*

Additions to current provisions in 2012 correspond principally to the selling risk of Gestamp Umformtechnik, GmbH.

Applications of current provisions in 2012 correspond mainly to the regularization of provisions related to resolved litigations. The corresponding amount registered in the consolidated income statement under the heading “Consumables” is 34,560 thousand euros. Decreases also include the application of short term employee compensation provision.

Other movements in current and non-current provisions in 2011 and 2012 are mainly related to prior year adjustments and reclassifications.

All of the current and non-current provisions in 2011 arising from additions to the consolidation scope correspond to the Gestamp Metal Forming Subgroup (Note 4.2).

Increases to non-current provisions in 2011 correspond mainly to post-retirement benefits (Note 21), liabilities relating to differences in the interpretation of tax matters, and long term employee compensation.

Application of current provisions in 2011 mainly corresponds to provisions set aside in earlier periods for employee compensation obligations of various Group companies.

Non-current provisions in 2010 include those which come from the business combination described in Note 4.2, in the amount of 89,016 thousand euros, and aim to cover risks from liabilities that may arise from onerous contracts, accounts payable to employees and liabilities relating to tax assessments.

Current provisions in 2010 aimed to cover risks derived from the estimated impact of price differences on customer shipments.

Applications of provisions in 2010 correspond mainly to provisions set aside in earlier periods for the workforce restructuring in the French plants as well as for retirement benefits in the Korean subsidiary.

**21. Pensions and other post-employment obligations**

The breakdown of the provision for employee benefits is as follows:

Item	Non-current			Current			Total		
	2012	2011	2010	2012	2011	2010	2012	2011	2010
Employee benefits . . . . . a)	8,436	13,924	7,494	3,595	10,533	—	12,031	24,457	7,494
Post-employment benefits									
Defined benefit plans . . . . . b)	54,437	42,177	—	20	35	—	54,457	42,212	—
Total . . . . .	<u>62,873</u>	<u>56,101</u>	<u>7,494</u>	<u>3,615</u>	<u>10,568</u>	<u>—</u>	<u>66,488</u>	<u>66,669</u>	<u>7,494</u>

a) Employee benefits

This line item includes provisions by some Group companies for seniority awards and other benefits for long term service (anniversary, retirement, awards, etc.).

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**21. Pensions and other post-employment obligations (Continued)**

b) Defined benefit plans

There are defined benefit plans for the companies Sofedit, S.A.S. and Gestamp Umformtechnik, GmbH. (belonging to the Gestamp Metal Forming Subgroup); Edscha Holding, GmbH., Edscha Automotive Hengersberg, GmbH., Edscha Automotive Hauzenberg, GmbH. and Edscha Engineering, GmbH. (belonging to the Edscha Subgroup). There are partially supported plans by an investment fund and not supported plans.

Assets and liabilities recognized in the Statement of Financial Position corresponding to the above-mentioned plan, by country, are the following:

<u>Item</u>	<u>Germany</u>	<u>France</u>	<u>Total</u>
	(Thousand of euros)		
Present value of the defined benefit obligation . . . . .	54,248	6,992	61,240
Fair value of plan assets and reimbursement rights . . . . .	4,279	2,504	6,783
<b>Defined benefit obligation's value at December 31, 2012 . . . . .</b>	<b><u>49,969</u></b>	<b><u>4,488</u></b>	<b><u>54,457</u></b>

<u>Item</u>	<u>Germany</u>	<u>France</u>	<u>Total</u>
	(Thousand of euros)		
Present value of the defined benefit obligation . . . . .	43,005	5,894	48,899
Fair value of plan assets and reimbursement rights . . . . .	4,083	2,604	6,687
<b>Defined benefit obligation's value at December 31, 2011 . . . . .</b>	<b><u>38,992</u></b>	<b><u>3,290</u></b>	<b><u>42,212</u></b>

The Group did not have any defined benefit obligations as at December 31, 2010.

Changes in the defined benefit obligations' present value are the following:

	<u>Germany</u>	<u>France</u>	<u>Total</u>
	(Thousand of euros)		
<b>Present value of the defined benefit obligation at December 31, 2010 . . . . .</b>	<b><u>2,303</u></b>	<b><u>—</u></b>	<b><u>2,303</u></b>
<b>Additions to scope . . . . .</b>	<b>37,340</b>	<b>6,322</b>	<b>43,662</b>
Current service cost year 2011 . . . . .	1,271	179	1,450
Interest income or expense . . . . .	964	119	1,083
Contributions to the plan by the employer . . . . .	(118)	—	(118)
Actuarial gains and losses arising from changes in demographic assumptions	(257)	(300)	(557)
Actuarial gains and losses arising from changes in financial assumptions . . .	2,351	(153)	2,198
Payments from the plan except any settlements . . . . .	(849)	(273)	(1,122)
<b>Present value of the defined benefit obligation at December 31, 2011 . . . . .</b>	<b><u>43,005</u></b>	<b><u>5,894</u></b>	<b><u>48,899</u></b>
Current service cost year 2012 . . . . .	2,090	366	2,456
Interest income or expense . . . . .	1,812	252	2,064
Contributions to the plan by the employer . . . . .	(159)	—	(159)
Actuarial gains and losses arising from changes in demographic assumptions	(13)	(484)	(497)
Actuarial gains and losses arising from changes in financial assumptions . . .	9,637	1,113	10,750
Payments from the plan except any settlements . . . . .	(1,974)	(149)	(2,123)
Effect of business combinations . . . . .	(150)	—	(150)
<b>Present value of the defined benefit obligation at December 31, 2012 . . . . .</b>	<b><u>54,248</u></b>	<b><u>6,992</u></b>	<b><u>61,240</u></b>



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**21. Pensions and other post-employment obligations (Continued)**

Changes in the plan assets' fair value are the following:

	<u>Germany</u>	<u>France</u>	<u>Total</u>
	(Thousand of euros)		
<b>Fair value of plan assets and reimbursement rights at December 31, 2010 . . .</b>	—	—	—
Additions to scope . . . . .	4,064	2,657	6,721
Interest income or expense . . . . .	122	49	171
Actuarial gains and losses arising from changes in demographic assumptions .	(103)	—	(103)
Return on plans assets, excluding amounts included in interest . . . . .	—	(7)	(7)
Contributions to the plan by the employer . . . . .	—	179	179
Payments from the plan except any settlements . . . . .	—	(274)	(274)
<b>Fair value of plan assets and reimbursement rights at December 31, 2011 . . .</b>	<u><b>4,083</b></u>	<u><b>2,604</b></u>	<u><b>6,687</b></u>
Interest income or expense . . . . .	245	101	346
Actuarial gains and losses arising from changes in demographic assumptions .	(49)	—	(49)
Return on plans assets, excluding amounts included in interest . . . . .	—	(23)	(23)
Contributions to the plan by the employer . . . . .	—	—	—
Contributions to the plan by plan participants . . . . .	—	(30)	(30)
Payments from the plan except any settlements . . . . .	—	(148)	(148)
<b>Fair value of plan assets and reimbursement rights at December 31, 2012 . . .</b>	<u><b>4,279</b></u>	<u><b>2,504</b></u>	<u><b>6,783</b></u>

The breakdown of the expense recognized in the income statement regarding this plan is as follows:

	<u>Germany</u>		<u>France</u>	
<u>Concept</u>	<u>2012</u>	<u>2011</u>	<u>2012</u>	<u>2011</u>
	(Thousands of euros)			
Current service cost . . . . .	2,090	1,271	366	179
Past service cost . . . . .	—	—	—	41
Net interest on the net defined benefit liability (asset) . . . . .	1,567	841	151	70
<b>Total expense recognized in profit or loss . . . . .</b>	<u><b>3,657</b></u>	<u><b>2,112</b></u>	<u><b>517</b></u>	<u><b>290</b></u>

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**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS**  
**FOR THE YEARS ENDED DECEMBER 31, 2012, 2011 AND 2010 (Continued)**

**21. Pensions and other post-employment obligations (Continued)**

The main hypotheses used for determining the defined benefit obligation are the following:

Concept	Germany		France	
	2012	2011	2012	2011
Discount rate . . . . .	3.0%-3.8%	4.5%-4.9%	3.00%	4.30%
Expected rate of return on any plan assets . . . . .	6.00%	6.00%	3.80%	3.80%
Future salary increases rate . . . . .	2.5%-3.0%	2.5%-3.0%	2.50%	2.50%
Future pension increases rate . . . . .	1.5%	2.5%	—	—
Inflation rate . . . . .	2%	2%	2%	2%
Mortality table . . . . .	RT 2005 G	RT 2005 G	INSEE 06-08	INSEE 04-06
Rates of employee turnover, disability and early retirement . . . . .	Aon Hewit Estandar tables/ RT 2005 G 0.8%-3.2%	Aon Hewit Estandar tables/ RT 2005 G 0.9%-3.0%	—	—
Proportion of plan members with dependants who will be eligible for benefits . . . . .	100%	100%	—	—
Percentage of taxes payable by the plan on contributions relating to service before the reporting date or on benefits resulting from that service . . . . .	—	—	45,0%	45,0%
Retirement age . . . . .	—	—	60-65 years	60-65 years

The effect that a 1% increase or decrease in most significant actuarial hypotheses would have on the obligation is as follows:

Concept	2012		2011	
	Increase	Decrease	Increase	Decrease
	(Thousands of euros)			
Discount rate . . . . .	(859)	1,054	(684)	830
Future salary increases rate . . . . .	1,048	(871)	837	(701)
Percentage of taxes payable by the plan on contributions relating to service before the reporting date or on benefits resulting from that service . . . . .	48	(48)	41	(41)

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**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS**  
**FOR THE YEARS ENDED DECEMBER 31, 2012, 2011 AND 2010 (Continued)**

**22. Non-trade liabilities**

The breakdown of non-trade liabilities at December 31, 2012, 2011 and 2010 classified by concepts is as follows:

		<b>Long Term</b>			<b>Short Term</b>		
		<b>2012</b>	<b>2011</b>	<b>2010</b>	<b>2012</b>	<b>2011</b>	<b>2010</b>
a) Interest-bearing loans and borrowings . . . . .	a.1)	919,521	755,900	684,953	a.2) 458,623	476,332	455,917
b) Derivative financial instruments . . . .	b.4)	52,949	47,082	28,101	—	—	—
b) Other financial liabilities . . . . .		146,673	59,179	52,460	242,582	169,120	61,098
Financial leasing . . . . .	b.1)	23,500	177	1	b.1) 1,600	60	178
Borrowings from Associated companies . . . . .	b.2)	33,791	25,227	24,980	b.2) 87,753	49,410	8,500
Other financial liabilities . . . . .	b.3)	89,382	33,775	27,479	b.3) 153,229	119,650	52,420
		<u>1,119,143</u>	<u>862,161</u>	<u>765,514</u>	<u>701,205</u>	<u>645,452</u>	<u>517,015</u>

**GESTAMP AUTOMOCIÓN, S.A. AND SUBSIDIARIES**  
**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS**  
**FOR THE YEARS ENDED DECEMBER 31, 2012, 2011 AND 2010 (Continued)**

**22. Non-trade liabilities (Continued)**

*a) Interest-bearing loans and borrowings*

**a.1) Non-current**

The breakdown of non-current interest-bearing loans and borrowings at December 31, 2012, 2011 and 2010 is as follows:

	<b>2012</b>					<b>2011</b>	
	<b>2014</b>	<b>2015</b>	<b>2016</b>	<b>2017</b>	<b>Beyond</b>	<b>Total</b>	<b>Total</b>
	<b>(Thousands of euros)</b>						
<b>In Euros</b> . . . . .	<b>99,935</b>	<b>374,907</b>	<b>165,539</b>	<b>145,997</b>	<b>22,859</b>	<b>809,237</b>	<b>712,436</b>
Gestamp Automoción, S.A. . . . .	91,097	278,001	155,483	137,818	0	662,399	581,710
Estampaciones Metálicas Vizcaya, S.A. . . .	36	36	36	207	1,536	1,851	1,851
Autotech Engineering, A.I.E. . . . .	218	142	136	120	92	708	1,060
Solblank, S.A. . . . .	90	23	23	17	193	346	457
Gestamp Linares, S.A. . . . .						—	300
Metalbages, S.A. . . . .	434	448	463	277		1,622	2,078
Gestamp Navarra, S.A. . . . .			7	14	86	107	107
MB Aragón, S.A. . . . .	38	77				115	—
Griwe Subgroup . . . . .	4,271	4,273	3,521	2,712	9,494	24,271	27,184
Beyçelik, A.S. . . . .	2,710	2,740	1,703	665		7,818	7,956
Gestamp Severstal Vsevolozhsk Llc . . . . .						—	4,598
Gestamp Metal Forming Subgroup . . . . .	1,041	89,167	4,167	4,167	11,458	110,000	85,000
Loire Sociedad Anónima Franco Española .						—	135
<b>In foreign currency</b> . . . . .	<b>19,838</b>	<b>56,887</b>	<b>17,915</b>	<b>4,457</b>	<b>11,187</b>	<b>110,284</b>	<b>43,464</b>
<b>Brazilian reais</b>							
Gestamp Brasil Industria de							
Autopeças, S.A. . . . .	3,715	4,650	4,538	3,466	11,132	27,501	27,622
Edscha Subgroup . . . . .	3,532					3,532	3,806
<b>Indian rupees</b>							
Sungwoo Gestamp Hitech Pune							
Private Ltd. . . . .	366					366	2,083
Sungwoo Gestamp Hitech Chennai Ltd. . .	1,865	705	621	264	0	3,455	2,964
Gestamp Sungwoo Hitech (Chennai)							
Private, Ltd. . . . .	0	6,523	0	0	0	6,523	3,752
Gestamp Sungwoo Stamping & Assemblies							
Pvt. Ltd. . . . .	0	10,005	0	0	0	10,005	—
<b>Sterling Pounds</b>							
Gestamp Metal Forming Subgroup . . . . .	9,554	34,264	12,230	—		56,048	—
<b>Korean won</b> . . . . .							
Gestamp Kartek Co, Ltd . . . . .	806	740	526	727	55	2,854	3,237
	<u>119,773</u>	<u>431,794</u>	<u>183,454</u>	<u>150,454</u>	<u>34,046</u>	<u>919,521</u>	<u>755,900</u>

**GESTAMP AUTOMOCIÓN, S.A. AND SUBSIDIARIES**  
**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS**  
**FOR THE YEARS ENDED DECEMBER 31, 2012, 2011 AND 2010 (Continued)**

**22. Non-trade liabilities (Continued)**

	2011					2010	
	2013	2014	2015	2016	Beyond	Total	Total
	(Thousands of euros)						
<b>In Euros</b> . . . . .	<b>340,179</b>	<b>111,442</b>	<b>233,515</b>	<b>6,189</b>	<b>21,111</b>	<b>712,436</b>	<b>638,714</b>
Gestamp Automoción, S.L. . . . .	334,660	105,608	141,442			581,710	610,600
Estampaciones Metálicas Vizcaya, S.A. . . . .	36	36	36	207	1,536	1,851	1,887
Autotech Engineering, A.I.E. . . . .	352	218	142	136	212	1,060	1,400
Solblank, S.A. . . . .	94	89	23	23	228	457	30
Gestamp Argentina, S.A. . . . .						—	2,027
Gestamp Linares, S.A. . . . .	300					300	602
Gestamp Servicios, S.L. . . . .						—	5,225
Metalbages, S.A. . . . .	448	433	449	467	281	2,078	2,539
Gestamp Navarra, S.A. . . . .			7	14	86	107	—
Griwe Subgroup . . . . .	1,556	2,915	4,273	4,270	14,170	27,184	7,037
Beyçelik, A.S. . . . .	2,598	2,143	2,143	1,072		7,956	2,142
Adral, matricería y pta. a punto, S.L. . . . .						—	691
Gestamp Severstal Vsevolozhsk Llc . . . . .					4,598	4,598	4,534
Gestamp Metal Forming Subgroup . . . . .			85,000			85,000	—
Loire Sociedad Anónima Franco Española . . . . .	135					135	—
<b>In foreign currency</b> . . . . .	<b>10,422</b>	<b>6,965</b>	<b>6,426</b>	<b>8,274</b>	<b>11,377</b>	<b>43,464</b>	<b>46,239</b>
<b>US dollars</b>							
Gestamp Sungwoo Hitech (Chennai) Private, Ltd. . . . .						—	7,587
<b>Brazilian reais</b>							
Gestamp Paraná, S.A. . . . .	3,360	4,550	4,550	4,487	10,675	27,622	23,367
Edscha Subgroup . . . . .	3,806					3,806	4,479
<b>Indian rupees</b>							
Sungwoo Gestamp Hitech Pune Private Ltd. . . . .	775	775	533			2,083	5,076
Sungwoo Gestamp Hitech Chennai Ltd. . . . .	1,509	834	621			2,964	2,985
Gestamp Sungwoo Hitech (Chennai) Private, Ltd. . . . .	467			3,285		3,752	—
<b>Korean won</b>							
Kartek Corporation . . . . .	505	806	722	502	702	3,237	2,745
	<u>350,601</u>	<u>118,407</u>	<u>239,941</u>	<u>14,463</u>	<u>32,488</u>	<u>755,900</u>	<u>684,953</u>

**GESTAMP AUTOMOCIÓN, S.A. AND SUBSIDIARIES**  
**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS**  
**FOR THE YEARS ENDED DECEMBER 31, 2012, 2011 AND 2010 (Continued)**

**22. Non-trade liabilities (Continued)**

	2010					2009	
	2012	2013	2014	2015	Beyond	Total	Total
	(Thousands of euros)						
<b>In Euros</b>	<b>163,366</b>	<b>301,296</b>	<b>71,252</b>	<b>94,695</b>	<b>8,105</b>	<b>638,714</b>	<b>625,086</b>
Gestamp Automoción, S.L.	151,390	297,910	68,858	92,442	—	610,600	591,128
Estampaciones Metálicas Vizcaya, S.A.	36	36	36	36	1,743	1,887	374
Autotech Engineering, A.I.E.	424	351	219	127	279	1,400	1,077
Solblank, S.A.	6	6	6	6	6	30	190
Gestamp Argentina, S.A.	2,027					2,027	4,092
Gestamp Linares, S.A.	301	301				602	903
Gestamp Servicios, S.L.	5,225					5,225	14,082
Metalbages, S.A.	472	452	447	433	735	2,539	160
MB Hidroacero, S.A.						—	307
Gestamp Navarra, S.A.						—	23
MB Levante, S.A.						—	45
Griwe Subgroup	1,554	1,556	1,558	1,561	808	7,037	7,837
Beyçelik, A.S.	1,689	453				2,142	3,810
Adral, matricería y pta. a punto, S.L.	242	231	128	90		691	1,058
Gestamp Severstal Vsevolozhsk Llc					4,534	4,534	—
<b>In foreign currency</b>	<b>20,813</b>	<b>8,074</b>	<b>9,372</b>	<b>6,087</b>	<b>1,893</b>	<b>46,239</b>	<b>20,229</b>
<b>US dollars</b>							
Gestamp Baires, S.A.						—	2,987
Gestamp Sungwoo Automotive, Ltd.	7,587					7,587	—
<b>Brazilian reais</b>							
Gestamp Paraná, S.A.	4,878	5,959	5,889	5,507	1,134	23,367	6,536
Edscha Subgroup	4,479					4,479	—
Gestamp Taubaté, S.A.						—	2,254
Gestamp Gravataí Industria Autopeças, S.A.						—	347
<b>Indian rupees</b>							
Automotive Stampings & Assemblies, Ltd.						—	2,348
Sungwoo Gestamp Hitech Pune Private Ltd.	1,611	806	2,659			5,076	3,934
Sungwoo Gestamp Hitech Chennai Ltd.	1,860	922	203			2,985	—
<b>Korean won</b>							
Kartek Corporation	398	387	621	580	759	2,745	1,823
	<u>184,179</u>	<u>309,370</u>	<u>80,624</u>	<u>100,782</u>	<u>9,998</u>	<u>684,953</u>	<u>645,315</u>

The guarantees granted are personal guarantees of the borrower, except for the loans granted to the Griwe Subgroup, which are additionally secured by the property, plant, and equipment financed by these loans (Note 7).

The average nominal interest on the loans rate at December 31, 2012, December 31, 2011 and December 31, 2010, is as follows:

	Interest rate
• Loans denominated in euros	1.1%–4.5%
• Loans denominated in indian rupees	10.3%–12.3%
• Loans denominated in brazilian reais	4.5%–9.4%
• Loans denominated in korean won	3.4%–4.7%
• Loans denominated in sterling pounds	3.8%

**GESTAMP AUTOMOCIÓN, S.A. AND SUBSIDIARIES**  
**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS**  
**FOR THE YEARS ENDED DECEMBER 31, 2012, 2011 AND 2010 (Continued)**

**22. Non-trade liabilities (Continued)**

**2008 syndicated loan:**

On July 30, 2008 the Company arranged a syndicated loan with a group of banks for 510 million euros.

The final installment on this 5-year facility is due on July 30, 2013. The outstanding payments at December 31, 2012 have been included in a new syndicated loan on December 20, 2012 (the characteristics are indicated below).

The Company has agreed to comply with certain financial covenants based on its Consolidated Financial Statements throughout the duration of the loan. These covenants are:

- “Net debt/EBITDA” below or equal to 3.15x in 2010, and below or equal to 3.00x in 2011 and beyond.
- “EBITDA/Financial expense” above 5x.
- “Net debt/Equity” below 1.25x in 2010, and below 1.15x in 2011 and beyond.

At December 31, 2012, 2011 and 2010 the Company was not in breach of any of these covenants.

Dividend payments are limited to 35% of profit attributable to equity holders of the Company whenever “Net debt/EBITDA” is equal or above 2.00x. If “Net debt/EBITDA” is below 2.00x, dividends may be paid up to 50% of profit attributable to equity holders of the Company.

Certain Group companies, which together represent a significant portion of total consolidated assets, revenue and EBITDA, act as joint guarantors of the above mentioned syndicated loan. These companies are:

Gestamp Automoción, S.A.	MB Aragón, S.A.
Gestamp Vigo, S.A.	MB Abrera, S.A.
Gestamp Toledo, S.L.	MB Levante, S.L.
Solblank, S.A.	Gestamp Navarra, S.A.
Gestamp Palencia, S.A.	Gestamp Solblank Navarra, S.L.
Gestamp Linares, S.A.	MB Aragón P21, S.L.
Gestamp Servicios, S.A.	Gestamp Ronchamp, S.A.S.
Araluce, S.A.	Gestamp Cataforesis Vigo, S.A.
Matricerías Deusto, S.L.	Gestamp Noury, S.A.S.
Galvanizaciones Castellana, S.A.	Gestamp Brasil Industria de Autopeças, S.A.
Estampaciones Metálicas Vizcaya, S.A.	Edscha Do Brasil, Ltd.
Metalbages, S.A.	Gestamp Polska, z.o.o.
Gestamp Aveiro, S.A.	Gestamp Portugal, Ltda.
Griwe Subgroup	Gestamp HardTech, AB
Gestamp Alabama, LLC.	Gestamp Hungaria, KFT.
Gestamp Baires, S.A.	Gestamp Córdoba, S.A.
Estampaciones Martínez, S.A.	Gestamp UK, Ltd.
Gestamp Mason, Llc.	Gestamp Louny, S.r.o.
Automotive Chassis Products Uk. Ltd.	Metalbages, P51, S.L.
Ingeniería Global MB, S.A.	Gestamp Tooling Services, AIE
Adral, Matricería y Puesta a Punto, S.L.	Edscha Briey, S.A.S.
Autotech Engineering, A.I.E.	Edscha Automotive Hauzenberg, GmbH
Gestamp Argentina, S.A.	Edscha Hauzenberg Real Estate GmbH, & Co.
Gestamp Chatanooga, Llc.	Edscha Hengersberg Real Estate GmbH, & Co.
Gestamp Ingeniería Europa II, S.L.	Edscha Automotive Hengersberg, GmbH.
Gestamp Manufacturing Autochasis, S.L.	Edscha Holding, GmbH.
Gestamp North America, INC.	Edscha Hradec, S.r.o.
Tallent Automotive, Ltd.	Gestamp Vendas Novas, Lda.
Gestamp Unformtechnik, GmbH	Edscha Santander, S.L.

**GESTAMP AUTOMOCIÓN, S.A. AND SUBSIDIARIES**  
**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS**  
**FOR THE YEARS ENDED DECEMBER 31, 2012, 2011 AND 2010 (Continued)**

**22. Non-trade liabilities (Continued)**

Edscha Burgos, S.L.	Edscha Velky Meder, S.r.o.
Prisma, S.A.S.	Edscha Engineering, GmbH.
Edscha Automotive Kamenice, S.R.O.	Ocon Automoted System, S.L.
Gestamp Togliatti, Llc.	Sofedit, S.A.S.
Sofedit Polska, Sp.z.o.o.	Gestamp Mexico, S.A. de C.V.
Gestamp North Europe Services, S.L.	Gestamp South Carolina, Llc.
Sofedit España, S.A.	Edscha España Holding, S.L.
Gestamp Puebla, S.A. de C.V.	Gestamp Tool Hardening, S.L.
Gestamp Toluca, S.A. de C.V.	Gestamp Global Tooling, S.L.
Edscha Michigan, Inc.	Gestamp Sweeden AB
Edscha Togliatti, Llc.	GMF Otomotiv Parçaları Sanayi ve Ticaret Limited Sirketi
Loire S.A. Franco Española	Edscha France Engineering, S.A.S.
ALHC, Llc.	MB Pamplona, S.A.
SCI de Tournan en Brie	Gestamp West Virginia, LLC
Todlem, S.L.	

**2010 syndicated loan:**

On July 27, 2010, the Company signed a syndicated loan with a group of banks for 330 million euros, and subsequently the Instituto de Crédito Oficial joined the syndicate with an additional 25 million euros.

The final installment on this 5-year facility is due on July 27, 2015. The outstanding payments at January 2013, July 2013, and January 2014, have been included into a new syndicated loan on December 20, 2012 (the characteristics are indicated below).

The Company has agreed to comply with certain financial covenants based on its Consolidated Financial Statements throughout the duration of the loan. These covenants are:

- “Net debt/EBITDA” below or equal to 3.15x in 2010, and below or equal to 3.00x in 2011 and beyond.
- “EBITDA/Financial expense” above 5x.
- “Net debt/Equity” below 1.25x in 2010, below 1.15x in 2011 and beyond.

At December 31, 2012, 2011 and 2010 the Company was not in breach of any of these covenants.

Dividend payments are limited to 35% of consolidated profit whenever “Net debt/EBITDA” is equal or above 2.00x. If “Net debt/EBITDA” is below 2.00x, dividends may be paid on up to 50% of consolidated profit.

Certain Group companies, which together represent a significant portion of total consolidated assets, revenue and EBITDA, act as joint guarantors of the above mentioned syndicated loan. These companies are:

Gestamp Automoción, S.A.	MB Aragón, S.A.
Gestamp Vigo, S.A.	MB Abrera, S.A.
Gestamp Toledo, S.L.	MB Levante, S.L.
Solblank, S.A.	Gestamp Navarra, S.A.
Gestamp Palencia, S.A.	Gestamp Solblank Navarra, S.L.
Gestamp Linares, S.A.	MB Aragón P21, S.L.
Gestamp Servicios, S.A.	Gestamp Ronchamp, S.A.S.
Araluce, S.A.	Gestamp Cataforesis Vigo, S.A.
Matricerías Deusto, S.L.	Gestamp Noury, S.A.S.
Galvanizaciones Castellana, S.A.	Gestamp Brasil Industria de Autopeças, S.A.
Estampaciones Metálicas Vizcaya, S.A.	Edscha Do Brasil, Ltd.
Metalbages, S.A.	Gestamp Polska, z.o.o.



**GESTAMP AUTOMOCIÓN, S.A. AND SUBSIDIARIES**  
**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS**  
**FOR THE YEARS ENDED DECEMBER 31, 2012, 2011 AND 2010 (Continued)**

**22. Non-trade liabilities (Continued)**

Gestamp Aveiro, S.A.	Gestamp Portugal, Ltda.
Griwe Subgroup	Gestamp HardTech, AB
Gestamp Alabama, LLC.	Gestamp Hungaria, KFT.
Gestamp Baires, S.A.	Gestamp Córdoba, S.A.
Estampaciones Martínez, S.A.	Gestamp UK, Ltd.
Gestamp Mason, Llc.	Gestamp Louny, S.r.o.
Automotive Chassis Products Uk. Ltd.	Metalbages, P51, S.L.
Ingeniería Global MB, S.A.	Gestamp Tooling Services, AIE
Adral, Matricería y Puesta a Punto, S.L.	Edscha Briey, S.A.S.
Autotech Engineering, A.I.E.	Edscha Automotive Hauzenberg, GmbH
Gestamp Argentina, S.A.	Edscha Hauzenberg Real Estate GmbH, & Co.
Gestamp Chatanooga, Llc.	Edscha Hengersberg Real Estate GmbH, & Co.
Gestamp Ingeniería Europa II, S.L.	Edscha Automotive Hengersberg, GmbH.
Gestamp Manufacturing Autochasis, S.L.	Edscha Holding, GmbH.
Gestamp North America, INC.	Edscha Hradec, S.r.o.
Tallent Automotive, Ltd.	Gestamp Vendas Novas, Lda.
Gestamp Unformtechnik, GmbH	Edscha Santander, S.L.
Edscha Burgos, S.L.	Edscha Velky Meder, S.r.o.
Prisma, S.A.S.	Edscha Engineering, GmbH.
Edscha Automotive Kamenice, S.R.O.	Ocon Automotod System, S.L.
Gestamp Togliatti, Llc.	Sofedit, S.A.S.
Sofedit Polska, Sp.z.o.o.	Gestamp Mexico, S.A. de C.V.
Gestamp North Europe Services, S.L.	Gestamp South Carolina, Llc.
Sofedit España, S.A.	Edscha España Holding, S.L.
Gestamp Puebla, S.A. de C.V.	Gestamp Tool Hardening, S.L.
Gestamp Toluca, S.A. de C.V.	Gestamp Global Tooling, S.L.
Edscha Michigan, Inc.	Gestamp Sweeden AB
Edscha Togliatti, Llc.	GMF Otomotiv Parçaları Sanayi ve Ticaret Limited Sirketi
Loire S.A. Franco Española	Edscha France Engineering, S.A.S.
ALHC, Llc.	MB Pamplona, S.A.
SCI de Tournan en Brie	Gestamp West Virginia, LLC
Todlem, S.L.	

**2011 syndicated loan:**

On September 15, 2011, the company GMF Holding, GmbH from the Gestamp Metal Forming Subgroup signed a syndicated loan with a group of banks for 85 million euros.

The final installment on this 4-year facility is due on September 15, 2015.

The Company has agreed to comply with certain financial covenants based on its Consolidated Financial Statements throughout the duration of the loan. These covenants are:

- “Net debt/EBITDA” below 3.00x.
- “EBITDA/Financial expense” above 5x.
- “Net debt/Equity” below to 1.15x.

At December 31, 2012 and 2011 the company was not in breach of any of these covenants.

Dividend payments are limited to 35% of consolidated profit whenever “Net debt/EBITDA” is equal or above 2.00x. If “Net debt/EBITDA” is below 2.00x, dividends may be paid on up to 50% of consolidated profit.

**GESTAMP AUTOMOCIÓN, S.A. AND SUBSIDIARIES**  
**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS**  
**FOR THE YEARS ENDED DECEMBER 31, 2012, 2011 AND 2010 (Continued)**

**22. Non-trade liabilities (Continued)**

Certain Group companies, which together represent a significant portion of total consolidated assets, revenue and EBITDA, act as joint guarantors of the above mentioned syndicated loan. These companies are:

Gestamp Automoción, S.A.	MB Aragón, S.A.
Gestamp Vigo, S.A.	MB Abrera, S.A.
Gestamp Toledo, S.L.	MB Levante, S.L.
Solblank, S.A.	Gestamp Navarra, S.A.
Gestamp Palencia, S.A.	Gestamp Solblank Navarra, S.L.
Gestamp Linares, S.A.	MB Aragón P21, S.L.
Gestamp Servicios, S.A.	Gestamp Ronchamp, S.A.S.
Araluce, S.A.	Gestamp Cataforesis Vigo, S.A.
Matricerías Deusto, S.L.	Gestamp Noury, S.A.S.
Galvanizaciones Castellana, S.A.	Gestamp Brasil Industria de Autopeças, S.A.
Estampaciones Metálicas Vizcaya, S.A.	Edscha Do Brasil, Ltd.
Metalbages, S.A.	Gestamp Polska, z.o.o.
Gestamp Aveiro, S.A.	Gestamp Portugal, Ltda.
Griwe Subgroup	Gestamp HardTech, AB
Gestamp Alabama, LLC.	Gestamp Hungaria, KFT.
Gestamp Baires, S.A.	Gestamp Córdoba, S.A.
Estampaciones Martínez, S.A.	Gestamp UK, Ltd.
Gestamp Mason, Llc.	Gestamp Louny, S.r.o.
Automotive Chassis Products Uk. Ltd.	Metalbages, P51, S.L.
Ingeniería Global MB, S.A.	Gestamp Tooling Services, AIE
Adral, Matricería y Puesta a Punto, S.L.	Edscha Briey, S.A.S.
Autotech Engineering, A.I.E.	Edscha Automotive Hauzenberg, GmbH
Gestamp Argentina, S.A.	Edscha Hauzenberg Real Estate GmbH, & Co.
Gestamp Chatanooga, Llc.	Edscha Hengersberg Real Estate GmbH, & Co.
Gestamp Ingeniería Europa II, S.L.	Edscha Automotive Hengersberg, GmbH.
Gestamp Manufacturing Autochasis, S.L.	Edscha Holding, GmbH.
Gestamp North America, INC.	Edscha Hradec, S.r.o.
Tallent Automotive, Ltd.	Gestamp Vendas Novas, Lda.
Gestamp Uniformtechnik, GmbH	Edscha Santander, S.L.
Edscha Burgos, S.L.	Edscha Velky Meder, S.r.o.
Prisma, S.A.S.	Edscha Engineering, GmbH.
Edscha Automotive Kamenice, S.R.O.	Ocon Automotod System, S.L.
GMF Holding, GmbH.	Sofedit, S.A.S.
Sofedit Polska, Sp.z.o.o.	Gestamp South Carolina, Llc.
Gestamp North Europe Services, S.L.	Edscha España Holding, S.L.
Sofedit España, S.A.	Gestamp Tool Hardening, S.L.
Edscha Michigan, Inc.	Gestamp Global Tooling, S.L.
Edscha Togliatti, Llc.	Gestamp Sweeden AB
Loire S.A. Franco Española	GMF Otomotiv Parçaları Sanayi ve Ticaret
	Limited Sirketi
ALHC, Llc.	Edscha France Engineering, S.A.S.
SCI de Tournan en Brie	MB Pamplona, S.A.
Gestamp West Virginia, LLC	Todlem, S.L

**Loan March 2012**

On March 21, 2012, the Company signed a loan for 60 million euros.

The final installment on this 5-year facility is due on March 21, 2017.

The Company has agreed to comply with certain financial covenants based on its Consolidated Financial Statements throughout the duration of the loan. These covenants are:

- “Net debt/EBITDA” below 3.00x
- “EBITDA/Financial expense” above 5x
- “Net debt/Equity” below to 1.15x

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**22. Non-trade liabilities (Continued)**

At December 31, 2012 the Company was not in breach of any of these covenants.

Certain Group companies, which together represent a significant portion of total consolidated assets, revenue, and EBITDA act as joint guarantors of the above mentioned syndicated loan. These companies are:

Gestamp Vigo, S.A.	MB Aragón, S.A.
Gestamp Toledo, S.L.	MB Abrera, S.A.
Solblank, S.A.	MB Levante, S.L.
Gestamp Palencia, S.A.	Gestamp Navarra, S.A.
Gestamp Linares, S.A.	Grestamp Solblank Navarra, S.L.
Gestamp Servicios, S.A.	MB Aragón P21, S.L.
Araluce, S.A.	Gestamp Ronchamp, S.A.S.
Matricerías Deusto, S.L.	Gestamp Cataforesis Vigo, S.A.
Galvanizaciones Castellana, S.A.	Gestamp Noury, S.A.S.
Estampaciones Metálicas Vizcaya, S.A.	Gestamp Brasil Industria de Autopeças, S.A.
Metalbages, S.A.	Edscha Do Brasil, Ltd.
Gestamp Aveiro-Indústria de Acessórios de Automóveis, S.A.	Gestamp HardTech, AB
Griwe Subgroup	Gestamp Córdoba, S.A.
Gestamp Alabama, LLC.	Gestamp UK, Ltd.
Gestamp Baires, S.A.	Gestamp Louny, S.r.o.
Estampaciones Martínez, S.A.	Metalbages, P51, S.L.
Gestamp Mason, Llc.	Gestamp Tooling Services, AIE
Gestamp Hungaria, Kft	Edscha Briey, S.A.S.
Ingeniería Global Metalbages, S.A.	Edscha France Engineering, S.A.S.
Adral, Matricería y Puesta a Punto, S.L.	Edscha Automotive Hauzenberg, GmbH
Autotech Engineering, A.I.E.	Edscha Hauzenberg Real Estate GmbH, & Co.
Gestamp Argentina, S.A.	Edscha Hengersberg Real Estate GmbH, & Co.
Gestamp Chatanooga, Llc.	Edscha Automotive Hengersberg, GmbH.
Gestamp Ingeniería Europa II, S.L.	Edscha Holding, GmbH.
Gestamp Manufacturing Autochasis, S.L.	Edscha Hradec, S.r.o.
Gestamp North America, INC.	Gestamp Vendas Novas Unipessoal, Lda.
Tallent Automotive, Ltd.	Edscha Santander, S.L.
Gestamp Unformtechnik, GmbH	Edscha Velky Meder, S.r.o.
Edscha Burgos, S.L.	Edscha Engineering, GmbH.
Edscha Automotive Kamenice, S.R.O.	Sofedit, S.A.S.
Gestamp Togliatti, Llc.	Gestamp South Carolina, Llc.
Sofedit Polska, Sp.z.o.o.	Gestamp Tool Hardening, S.L.
Sofedit España, S.A.	MB Pamplona, S.A.
Edscha Automotive Michigan, Inc.	Gestamp Portugal-Gestão e Indústria de Estampagens Metálicas, LDA
Edscha Togliatti, Llc.	SCI de Tournan en Brie
ALHC, Llc.	

**Loan July 2012**

On July 27, 2012, the companies Tallent Automotive, Ltd. and Gestamp UK, Ltd. signed a loan and a revolving credit facility for 50 million sterling pounds.

The final installment on this 4-year facility is due on June 30, 2016.

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**22. Non-trade liabilities (Continued)**

The Company has agreed to comply with certain financial covenants based on its Consolidated Financial Statements throughout the duration of the loan. These covenants are:

- “Net debt/EBITDA” below 3.00x
- “EBITDA/Financial expense” above 5x
- “Net debt/Equity” below to 1.15x

At December 31, 2012 the Company was not in breach of any of these covenants.

Certain Group companies, which together represent a significant portion of total consolidated assets, revenue and EBITDA, act as joint guarantors of the above mentioned syndicated loan. These companies are:

DieDe Die Developments, S.L	Gestamp Vendas Novas Unipessoal, Lda.
Gestamp Automoción, S.A.	Gestamp Noury, SAS
Estampaciones Metálicas Vizcaya, S.A.	Gestamp Ronchamp, S.A.S.
Gestamp Cataforesis Vigo, S.L	Edscha Briey, S.A.S.
Gestamp Toledo S.L.	Edscha France Engineering , S.A.S.
Solblank, S.A.	SCI de Tournan en Brie
Gestamp Palencia, S.A.	Gestamp Unformtechnik, GmbH
Gestamp Linares, S.A.	Edscha Engineering, GmbH.
Gestamp Servicios, S.A.	Edscha Automotive Hauzenberg, GmbH
Araluce, S.A	Edscha Hauzenberg Real Estate GmbH, & Co.
Galvanizaciones Castellana, S.A.	Edscha Hengersberg Real Estate GmbH, & Co.
Gestamp Navarra, S.A.	Edscha Automotive Hengersberg, GmbH.
Gestamp North Europe Services, S.L.	Edscha Holding, GmbH.
MB Aragón, S.A.	Griwe Subgroup.
MB Aragón P21, S.L.	ALHC, Ll.c.
MB Levante, S.L.	Gestamp Alabama, Ll.c.
Matricerías Deusto, S.L.	Gestamp Chatanooga, Ll.c.
Gestamp Solblank Navarra, S.L.	Gestamp HardTech, AB
Adral, Matricería y puesta a punto, S.L	Gestamp Mason, LLC
Autotech Engineering, A.I.E.	Gestamp North America, Inc
Estampaciones Martínez, S.A.	Edscha Michigan, Inc.
Gestamp Ingeniería Europa II, S.L.	Gestamp South Carolina, Ll.c.
Gestamp Manufacturing Autochasis, S.L.	Gestamp West Virginia, LLC
Ingeniería Global MB, S.A.	Gestamp HardTech, AB
Loire S.A. Franco Española	Gestamp Sweeden AB
Metalbages, P51, S.L.	Gestamp Uk Limited
Edscha Burgos, S.L.	Tallent Automotive Limited
Edscha Santander, S.L.	Gestamp Argentina, S.A.
Gestamp Tool Hardening, S.L.	Gestamp Baires, S.A.
Gestamp Tooling Services A.I.E.	Gestamp Córdoba, S.A.
Sofedit España, S.A.	Gestamp Hungaria, KFT.
Ocon Automoted System, S.L.	Edscha Automotive Kamenice, S.R.O.
Gestamp Polska, Sp.Z.o.o.	Edscha Hradec, S.r.o.
Gestamp Portugal, Ltda	Gestamp Louny, S.r.o.
Gestamp Aveiro, S.A.	Edscha Velky Meder, S.r.o.

***Syndicated Loan 2012***

On December 20, 2012, the Company signed a syndicated loan with a group of banks for 389 million euros (229 million euros related to the outstanding payments of the Syndicated Loan 2008 at December 31, 2012;

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**22. Non-trade liabilities (Continued)**

and 160 million euros related to the outstanding payments of the Syndicated Loan 2010 at January 2013, July 2013, and January 2014).

The final installment on this 4-year facility is due on January 27, 2017.

The Company has agreed to comply with certain financial covenants based on its Consolidated Financial Statements throughout the duration of the loan. These covenants are:

- “Net debt/EBITDA” below 3.00
- “EBITDA/Financial expense” above 5x
- “Net debt/Equity” below to 1.15x

At December 31, 2012 the Company was not in breach of any of these covenants.

Dividend payments are limited to 35% of profit attributable to equity holders of the Company whenever “Net debt/EBITDA” is equal or above 2.00x. If “Net debt/EBITDA” is below 2.00x, dividends may be paid on up to 50% of profit attributable to equity holders of the Company.

Certain Group companies, which together represent a significant portion of total consolidated assets, revenue, and EBITDA act as joint guarantors of the above mentioned syndicated loan. These companies are:

Adral, Matricería y puesta a punto, S.L	Gestamp Navarra, S.A.
ALHC, Llc.	Gestamp North Europe Services, S.L.
Araluce, S.A	Gestamp North America, Inc
Autotech Engineering, A.I.E.	Gestamp Noury, SAS
DieDe Die Developments, S.L	Gestamp Palencia, S.A.
Edscha Automotive Kamenice, S.R.O.	Gestamp Polska, Sp.Z.o.o.
Edscha Burgos, S.L.	Gestamp Portugal, Ltda
Edscha Santander, S.L.	Gestamp Ronchamp, S.A.S.
Edscha Togliatti, Llc.	Gestamp Servicios, S.A.
Edscha Do Brasil, Ltd.	Gestamp Solblank Navarra, S.L.
Edscha Engineering, GmbH.	Gestamp South Carolina, Llc.
Edscha Briey, S.A.S.	Gestamp Sweeden AB
Edscha France Engineering , S.A.S.	Gestamp Togliatti, LLC
Edscha Michigan, Inc.	Gestamp Toledo S.L.
Edscha Automotive Hauzenberg, GmbH	Gestamp Tooling Hardening, S.L.
Edscha Hauzenberg Real Estate GmbH, & Co.	Gestamp Tooling Services A.I.E.
Edscha Hengersberg Real Estate GmbH, & Co.	Gestamp Uk Limited
Edscha Automotive Hengersberg, GmbH.	Gestamp Vendas Novas Unipessoal, Lda.
Edscha Holding, GmbH.	Gestamp Vigo, S.A.
Edscha Hradec, S.r.o.	Gestamp West Virginia, LLC
Edscha Velky Meder, S.r.o.	Gestamp Unformtechnik, GmbH
Estampaciones Martínez, S.A.	Griwe Subgroup.
Estampaciones Metálicas Vizcaya, S.A.	Ingeniería Global MB, S.A.
Galvanizaciones Castellana, S.A.	Loire S.A. Franco Española
Gestamp Alabama, Llc.	Matricerías Deusto, S.L.
Gestamp Argentina, S.A.	MB Abrera, S.A.
Gestamp Automoción, S.A.	MB Aragón, S.A.
Gestamp Aveiro, S.A.	MB Aragón P21, S.L.
Gestamp Baires, S.A.	MB Levante, S.L.
Gestamp Cataforesis Vigo, S.L	MB Pamplona, S.A.
Gestamp Chatanooga, Llc.	Metalbages, P51, S.L.
Gestamp Córdoba, S.A.	Ocon Automoted System, S.L.

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**22. Non-trade liabilities (Continued)**

Gestamp HardTech, AB	Metalbages, S.A.
Gestamp Hungaria, KFT.	Prisma, S.A.S.
Gestamp Ingeniería Europa II, S.L.	Sofedit España, S.A.
Gestamp Linares, S.A.	SCI de Tournan en Brie
Gestamp Louny, S.r.o.	Solblank, S.A.
Gestamp Manufacturing Autochasis, S.L.	Tallent Automotive Limited
Gestamp Mason, LLC	Gestamp Brasil Industria de Autopeças, S.A.

In order to extend the debt maturities, the Company is analyzing the different options of long term financing, and refinancing maturities to adequate the financial debt to its strategic objectives.

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**22. Non-trade liabilities (Continued)**

**a.2) Current interest-bearing loans and borrowings**

The Group companies have been granted the following credit and discounting facilities:

Company	Credit facilities						Loans (b)			Accrued interest (c)			Discounted bills and factoring (d)			(a) + (b) + (c) + (d)		
	Drawn down (a)			Limit												TOTALS	TOTALS	TOTALS
	2012	2011	2010	2012	2011	2010	2012	2011	2010	2012	2011	2010	2012	2011	2010	2012	2011	2010
(Thousands of euros)																		
In Euros	182,992	190,782	184,179	318,814	285,200	290,200	81,331	194,840	161,593	16,607	3,952	3,960	39,957	25,557	88,844	320,887	415,131	438,576
Gestamp Automoción,S.A.	174,038	187,898	177,714	306,000	273,000	278,000	59,169	166,324	140,840	16,390	3,856	3,377		13,841	40,047	249,597	371,919	361,978
Estampaciones Metálicas Vizcaya, S.A.								36	195				75	9,348		9,348	36	270
Gestamp Toledo, S.L.														26	18	27	26	18
Autotech Engineering AIE							350	421	416							350	421	416
Gestamp Noury, S.A.S.												3				0	0	3
Solblank, S.A.							111	77	160							111	77	160
Gestamp Argentina, S.A.								2,047	2,027		29	39				0	2,076	2,066
Gestamp Palencia, S.A.								0						29	28	29	29	28
Gestamp Linares, S.A.								301	301					1	0	1	301	301
Gestamp Servicios, S.A.								5,234	8,863					25,848	11,670	48,741	25,848	16,904
Metalbages, S.A.	6,340	2,884	6,465	10,200	12,200	12,200	453	465	786		8	14		432		7,225	3,357	7,265
Gestamp Navarra, S.A.									54							0	0	54
MB Levante, S.A.									45							0	0	45
MB Abrera, S.A.									223	4	1	1				4	1	224
Griwe Subgroup							5,381	1,744	865							5,381	1,744	865
Estampaciones Martinez, S.A.							0	1,200			7			4,273		4,273	1,207	
Beyçelik, A.S.	2,614			2,614			5,584		1,611	211	51	12				8,409	51	1,623
Adral, matriceria y pta. a punto, S.L.									368							0	0	368
Gestamp Tooling Overseas Ltd.								6	5							0	6	5
Gestamp Manufacturing Autochasis, S.L.									1,200							0	0	1,200
Gestamp Severstal Vsevolozhsk Llc							3						435			3	0	435
MB Aragón, S.A.							77			2						79	0	0
Gestamp Ronchamp, S.A.S													4			0	0	4
Edscha Subgroup							10,000	13,612	3,634							10,000	13,612	3,634
Loire Sociedad Anónima Franco Española							203	3,117								203	3,117	0
Diede Die Developments, S.L.																0	0	0
In foreign currency	3,242	1,400	1,340	10,611	5,600	5,360	133,465	59,690	15,941	1,029	111	60	—	—	—	137,736	61,201	17,341



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**22. Non-trade liabilities (Continued)**

Company	Credit facilities						Loans (b)			Accrued interest (c)			Discounted bills and factoring (d)			(a) + (b) + (c) + (d)		
	Drawn down (a)			Limit												TOTALS	TOTALS	TOTALS
	2012	2011	2010	2012	2011	2010	2012	2011	2010	2012	2011	2010	2012	2011	2010	2012	2011	2010
(Thousands of euros)																		
US dollars																		
Gestamp Baires, S.A. . . . .	3,242			3,261				3,305	3,202	7	8	7				3,249	3,313	3,209
Gestamp Córdoba, S.A. . . . .							3,530	3,598	3,486	36	36	32				3,566	3,634	3,518
Gestamp Sungwoo Hitech (Chennai) Private, Ltd. . .								2,017								0	2,017	0
Gestamp Alabama, Llc . . . . .							34,106									34,106	0	0
Sterling Pound																		
Gestamp Metal Forming Subgroup . . . . .							4,624									4,624	0	0
Turkish lira																		
Beyçelik, A.S. . . . .								4,612	356							0	4,612	356
Brazilian reais																		
Gestamp Brasil Industria de Autopeças, S.A. . . . .							42,084	26,623	5,275	516	26					42,600	26,649	5,275
Edscha Subgroup . . . . .							7,288	2,147		397						7,685	2,147	0
Indian rupees																		
Gestamp Automotive India Private Ltd. . . . .								3,187								0	3,187	0
Sungwoo Gestamp Hitech Pune Private Ltd. . . . .							4,447	3,199	163	11	17	15				4,458	3,216	178
Sungwoo Gestamp Hitech Chennai Ltd. . . . .							465	2,281	2,465		15					465	2,296	2,465
Gestamp Sungwoo Hitech (Chennai) Private, Ltd. . .							442	3,614	535	1						443	3,614	535
Gestamp Services India Private, Ltd. . . . .							690									690	0	0
Gestamp Sungwoo Stamping & Assemblies Private Ltd. . . . .										35						35	0	0
Remimbi Yuan																		
Gestamp Auto Components (Kunshan) Co., Ltd . . .							18,125									18,125	0	0
Edscha Subgroup . . . . .								491								0	491	0
Gestamp Metal Forming Subgroup . . . . .							12,959			21						12,980	0	0
Korean wons																		
GS Hot-Stamping Co. Ltd. . . . .							4,200	4,200								4,200	4,200	0
Kartek Corporation . . . . .		1,400	1,340	7,350	5,600	5,360	505	416	459	5	9	6				510	1,825	1,805
	186,234	192,182	185,519	329,425	290,800	295,560	214,796	254,530	177,534	17,636	4,063	4,020	39,957	25,557	88,844	458,623	476,332	455,917



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**22. Non-trade liabilities (Continued)**

In all, the Group has approximately 183 million, 137 million and 133 million euros in recourse factoring and available discounting facilities at December 31, 2012, 2011 and 2010 respectively.

Interest on the credit facilities is basically indexed to a variable rate of Euribor plus a spread of between 2.50% and 3.75% in 2012 and between 1.25% and 2.75% and between 1.25% and 2.15% in 2011 and 2010 respectively.

*b) Financial instruments and other non-trade liabilities*

The composition of this line item at December 31, 2012, 2011 and 2010 is as follows:

Description	2012		2011		2010	
	Non-current	Current	Non-current	Current	Non-current	Current
	(Thousands of euros)					
Leases (b.1) . . . . .	23,500	1,600	177	60	1	178
Borrowings from Group companies						
(b.2) . . . . .	33,791	87,753	25,227	49,410	24,980	8,500
Other borrowings (b.3) . . . . .	89,382	153,229	33,775	119,650	27,479	52,420
<i>Total</i> . . . . .	<u>146,673</u>	<u>242,582</u>	<u>59,179</u>	<u>169,120</u>	<u>52,460</u>	<u>61,098</u>
Derivative financial instruments (b.4)	<u>52,949</u>	<u>—</u>	<u>47,082</u>	<u>—</u>	<u>28,101</u>	<u>—</u>

**b.1) Leases**

The finance lease commitments recognized under this heading correspond to the present value of the payment commitments on the finance leases outlined in Note 7. The payment schedule for these lease payments and the corresponding finance expenses are as follows:

	2012				
	Present value of lease obligations			Future finance expenses	Finance lease installments
	Less than one year	Between one and five years	More than five years		
	(Thousands of euros)				
Gestamp West Virginia, LLC . . . . .	—	1,767	17,181	7,610	26,558
Loire Safe . . . . .	54	87	0	8	149
GMF Otomotive Parçaları Sanayi ve L.S . . .	27	34		2	63
Beyçelik, A.S. . . . .	1,514	4,427	0	258	6,199
Edscha Subgroup . . . . .	5	4	0	1	10
Total . . . . .	<u>1,600</u>	<u>6,319</u>	<u>17,181</u>	<u>7,879</u>	<u>32,979</u>
	2011				
	Present value of lease obligations			Future finance expenses	Finance lease installments
	Less than one year	Between one and five years	More than five years		
	(Thousands of euros)				
Loire Safe . . . . .	54	140	—	52	246
Gestamp Metal Forming Subgroup . . . . .	0	27	—	0	27
Edscha Subgroup . . . . .	6	10	—	0	16
Total . . . . .	60	177	—	52	289

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**22. Non-trade liabilities (Continued)**

	2010				
	Present value of lease obligations			Future finance expenses	Finance lease installments
	Less than one year	Between one and five years	More than five years		
	(Thousands of euros)				
Beyçelik, A.S. . . . . .	114			3	117
Edscha Holding GmbH . . . . .	10	1			11
Gestamp Polska, SP. Zoo . . . . .	49			2	51
Total . . . . .	173	1	—	5	179

**b.2) Borrowings from Group companies**

The breakdown of this heading in the consolidated balance sheet at December 31, 2012, 2011 and 2010 is as follows:

Lender	Item	2012			
		Current	Non-current	Due date	Interest rate
		(Thousands of euros)			
Corporación Gestamp, S.L. . . . .	Current account	45,519	—	2013	Euribor+0.4%
Corporación Gestamp, S.L. . . . .	Interest	1,095	—	—	—
Holding Gonvarri, S.L. . . . .	Current account	(2,000)	—	—	—
Gonvarri Corporación					
Financiera, S.L. . . . .	Loan and interests	980	18,093	2015	Euribor+5%
Severstal Trade, GmbH . . . . .	Loan and interests	672	6,993	2018	12.52%
Severstal Trade, GmbH . . . . .	Loan and interests	440	4,587	2019	12.52%
Melsonda . . . . .	Loan and interests	3	4,118	2022	6.55%
Gonvarri Corporación					
Financiera, S.L. . . . .	Loan and interests	41,044	—	—	5.00%
		<u>87,753</u>	<u>33,791</u>		

The current balance of 87,753 thousand euros includes the 4,233 thousand euros of interest accrued on these loans at December 31, 2012 as well as the portion of borrowings classified as current, amounting to 83,520 thousand euros.

Lender	Item	2011			
		Current	Non-current	Due date	Interest rate
		(Thousands of euros)			
Corporación Gestamp, S.L. . . . .	Current account	45,886	—	2012	Euribor+0.3%
Corporación Gestamp, S.L. . . . .	Interest	1,346	—	—	—
Gonvarri Corporación					
Financiera, S.L. . . . .	Loan and interests	1,064	18,217	2015	Euribor+5%
Severstal Trade, GmbH . . . . .	Loan and interests	1,114	7,010	2018	12.52%
		<u>49,410</u>	<u>25,227</u>		

**GESTAMP AUTOMOCIÓN, S.A. AND SUBSIDIARIES**  
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**22. Non-trade liabilities (Continued)**

The current balance of 49,410 thousand euros includes the 2,850 thousand euros of interest accrued on these loans at December 31, 2011 as well as the portion of borrowings classified as current, amounting to 46,560 thousand euros.

<u>Lender</u>	<u>Item</u>	<u>2010</u>		<u>Due date</u>	<u>Interest rate</u>
		<u>Current</u>	<u>Non-current</u>		
		<u>(Thousands of euros)</u>			
Gonvarri Corporación					
Financiera, S.L. ....	Loan and interests	963	18,067	2015	Euribor+5%
Severstal Trade .....	Loan and interests	671	6,913	2018	12.52%
ALHC, LLC. ....	Loan and interests	2,990	—	2011	8.00%
Gonvauto Thüringen GmbH .....	Loan and interests	3,215	—	2011	—
Corporación Gestamp, S.L. ....	Loan and interests	408	—	—	—
Gestamp South Carolina LLC ....	Loan and interests	64	—	—	—
Beyçelik, A.S. ....	Trade payables	189	—	—	—
		<u>8,500</u>	<u>24,980</u>		

The current balance of 8,500 thousand euros includes 1,435 thousand euros of interest accrued on these loans at December 31, 2010 as well as the portion of borrowings classified as current, amounting to 6,876 thousand euros and short term fixed asset suppliers amounting to 189 thousand euros.

**GESTAMP AUTOMOCIÓN, S.A. AND SUBSIDIARIES**  
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**FOR THE YEARS ENDED DECEMBER 31, 2012, 2011 AND 2010 (Continued)**

**22. Non-trade liabilities (Continued)**

**b.3) Other borrowings**

*Other non-current financial liabilities*

The breakdown of the amounts included under this heading, by company, nature, and maturity, at December 31, 2012, 2011 and 2010 is as follows:

<u>Company</u>	<u>2014</u>	<u>2015</u>	<u>2016</u>	<u>2017</u>	<u>Beyond</u>	<u>Total 2012</u>
	(Thousands of euros)					
<b>Guarantees received . . . . .</b>	<b>—</b>	<b>—</b>	<b>—</b>	<b>—</b>	<b>21</b>	<b>21</b>
MB Abrera, S.A. . . . .					14	<b>14</b>
Kartek Corporation . . . . .					7	<b>7</b>
<b>Loans from Ministry of Science and Technology .</b>	<b>918</b>	<b>2,465</b>	<b>3,167</b>	<b>3,375</b>	<b>24,614</b>	<b>34,539</b>
Gestamp Vigo, S.A. . . . .					3,647	<b>3,647</b>
Gestamp Toledo, S.L. . . . .	75	118	133	148	2,890	<b>3,364</b>
Gestamp Palencia, S.A. . . . .	207	269	269	269	937	<b>1,951</b>
Gestamp Linares, S.A. . . . .	343	253	181	181	215	<b>1,173</b>
Galvanizaciones Castellana, S.A. . . . .	34	34	34	34	107	<b>243</b>
Metalbages, S.A. . . . .		43	71	69	462	<b>645</b>
Gestamp Navarra, S.A. . . . .	11	59	106	141	1,917	<b>2,234</b>
Gestamp Manufacturing Autochasis S.L. . . . .			45	43	273	<b>361</b>
Autotech Engineering, A.I.E. . . . .	20	91	102	102	490	<b>805</b>
MB Aragón, S.A. . . . .		236	294	282	1,613	<b>2,425</b>
MB Abrera, S.A. . . . .	10	135	185	371	3,139	<b>3,840</b>
MB Levante, S.L. . . . .		292	281	271	1,500	<b>2,344</b>
MB Solblank Navarra, S.L. . . . .		19	18	18	100	<b>155</b>
Adral, S.L. . . . .	218					<b>218</b>
Solblank, S.A. . . . .			41	39	269	<b>349</b>
Estampaciones Metálicas Vizcaya S.A. . . . .		916	1,407	1,407	7,055	<b>10,785</b>
<b>Other creditors . . . . .</b>	<b>10,792</b>	<b>13,065</b>	<b>10,730</b>	<b>12,118</b>	<b>8,117</b>	<b>54,822</b>
Gestamp Servicios, S.A. . . . .	9,127	9,603	10,105	10,633		<b>39,468</b>
Gestamp Automoción, S.A. . . . .		1,000				<b>1,000</b>
Gestamp Toledo, S.L. . . . .						<b>—</b>
SCI de Tournan en Brie . . . . .					93	<b>93</b>
Gestamp Argentina, S.A. . . . .					83	<b>83</b>
Sungwo Gestamp Hitech Chennai LTd. . . . .	26	97	132	136	520	<b>911</b>
Gestamp Sweden, AB . . . . .	4					<b>4</b>
Gestamp Aveiro, S.A. . . . .	756					<b>756</b>
Gestamp Portugal Lda . . . . .		13	296	1,153	577	<b>2,039</b>
Diede Die Developments S.L. . . . .	343	83	197	196	948	<b>1,767</b>
GS Hot stamping Ltd . . . . .					190	<b>190</b>
Loire Sociedad Anónima Franco Española . . . .	8				312	<b>320</b>
Ocon Automated Systems S.L. . . . .	58					<b>58</b>
Edscha Subgroup . . . . .	470	374			5,394	<b>6,238</b>
Gestamp West Virginia, LLC . . . . .	—	1,895	—	—	—	<b>1,895</b>
<b>Total . . . . .</b>	<b>11,710</b>	<b>15,530</b>	<b>13,897</b>	<b>15,493</b>	<b>32,752</b>	<b>89,382</b>

**GESTAMP AUTOMOCIÓN, S.A. AND SUBSIDIARIES**  
**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS**  
**FOR THE YEARS ENDED DECEMBER 31, 2012, 2011 AND 2010 (Continued)**

**22. Non-trade liabilities (Continued)**

<u>Company</u>	<u>2013</u>	<u>2014</u>	<u>2015</u>	<u>2016</u>	<u>Beyond</u>	<u>Total 2011</u>
	(Thousands of euros)					
<b>Guarantees received</b> . . . . .	<u>—</u>	<u>—</u>	<u>—</u>	<u>—</u>	<u>21</u>	<u>21</u>
MB Abrera, S.A. . . . .					14	14
Kartek Corporation . . . . .					7	7
<b>Loans from Ministry of Science and Technology</b> . . . . .	<u>747</u>	<u>321</u>	<u>747</u>	<u>1,432</u>	<u>19,382</u>	<u>22,629</u>
Gestamp Vigo, S.A . . . . .					2,975	2,975
Gestamp Toledo, S.L . . . . .	75	75	75	75	2,998	3,298
Gestamp Palencia, S.A . . . . .					1,310	1,310
Gestamp Linares, S.A . . . . .	343				1,174	1,517
Galvanizaciones Castellana, S.A . . . . .					231	231
Metalbages, S.A . . . . .				41	588	629
Gestamp Navarra, S.A . . . . .	11	11	45	83	1,009	1,159
Gestamp Manufacturing Autochasis S.L . . . . .				43	300	343
Autotech Engineering, A.I.E . . . . .		20	62	62	350	494
MB Aragón, S.A . . . . .	77	77	196	213	1,405	1,968
MB Abrera, S.A . . . . .	10	10	57	240	2,390	2,707
MB Levante, S.L . . . . .			206	196	1,257	1,659
MB Solblank Navarra, S.L . . . . .					148	148
Adral, S.L . . . . .	231	128	90			449
Solblank, S.A . . . . .					332	332
Loire Safe . . . . .					299	299
Estampaciones Metálicas Vizcaya S.A . . . . .			16	479	2,616	3,111
<b>Other creditors</b> . . . . .	<u>1,806</u>	<u>1,812</u>	<u>3,518</u>	<u>332</u>	<u>3,657</u>	<u>11,125</u>
Gestamp Automoción, S.A . . . . .		1,000				1,000
Gestamp Toledo, S.L . . . . .	134					134
SCI de Tournan en Brie . . . . .					93	93
Gestamp Argentina, S.A . . . . .		81				81
Sungwo Gestamp Hitech Chennai LTd. . . . .	27	103	139	187	540	996
Gestamp Sweden, AB . . . . .	4					4
Gestamp Aveiro, S.A . . . . .	697	620	470	145		1,932
Gestamp Portugal Lda . . . . .	349					349
Diede Die Developments S.L . . . . .					1,400	1,400
GS Hot stamping Ltd . . . . .					136	136
Loire Safe . . . . .	31	8				39
Edscha Subgroup . . . . .	564		2,909		1,488	4,961
Gestamp West Virginia, LLC . . . . .	—	—	—	—	—	—
<b>Total</b> . . . . .	<u>2,553</u>	<u>2,133</u>	<u>4,265</u>	<u>1,764</u>	<u>23,060</u>	<u>33,775</u>

**GESTAMP AUTOMOCIÓN, S.A. AND SUBSIDIARIES**  
**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS**  
**FOR THE YEARS ENDED DECEMBER 31, 2012, 2011 AND 2010 (Continued)**

**22. Non-trade liabilities (Continued)**

<u>Company</u>	<u>2012</u>	<u>2013</u>	<u>2014</u>	<u>Beyond</u>	<u>Total</u> <u>2010</u>
	(Thousands of euros)				
<b>Guarantees received</b> . . . . .	<b>—</b>	<b>—</b>	<b>—</b>	<b>29</b>	<b>29</b>
MB Abrera, S.A . . . . .				13	13
Metalbages, S.A . . . . .				5	5
Gestamp Automotive India Private Ltd. . . . .				11	11
<b>Loans from Ministry of Science and Technology</b> . . . . .	<b>533</b>	<b>516</b>	<b>516</b>	<b>18,719</b>	<b>20,284</b>
Gestamp Vigo, S.A . . . . .				1,744	1,744
Gestamp Toledo, S.L . . . . .	75	75	75	3,424	3,649
Gestamp Palencia, S.A . . . . .				1,170	1,170
Araluce, S.A. . . . .	17				17
Gestamp Linares, S.A . . . . .	343	343	343	831	1,860
Galvanizaciones Castellana, S.A . . . . .				207	207
Metalbages, S.A . . . . .				294	294
MB Hidroacero, S.A . . . . .	11	11	11	122	155
MB Navarra, S.A . . . . .				634	634
MB Aragón, S.A . . . . .	77	77	77	1,625	1,856
MB Abrera, S.A . . . . .	10	10	10	1,684	1,714
MB Levante, S.L . . . . .				1,517	1,517
MB Solblank Navarra, S.L . . . . .				133	133
Solblank, S.A . . . . .				297	297
Gestamp Taval España, S.L . . . . .				305	305
Edscha Subgroup . . . . .				2,670	2,670
Estampaciones Metálicas Vizcaya S.A . . . . .				2,062	2,062
<b>Other creditors</b> . . . . .	<b>2,988</b>	<b>1,072</b>	<b>1,254</b>	<b>1,852</b>	<b>7,166</b>
Gestamp Automoción, S.A . . . . .	1,000				1,000
Adral, matricería y puesta a punto, S.L . . . . .				36	36
Gestamp Toledo, S.L . . . . .	450				450
SCI de Tournan en Brie . . . . .				93	93
Araluce, S.A . . . . .				118	118
Matricerías Deusto, S.L . . . . .	85				85
Gestamp Argentina, S.A . . . . .		6			6
Gestamp Tooling Services, A.I.E. . . . .	46				46
Gestamp Paraná, S.A . . . . .	38	38	13		89
Sungwo Gestamp Hitech Chennai LTd. . . . .	57	118	160	832	1,167
Gestamp Sweden, AB . . . . .	4				4
Gestamp Aveiro, S.A . . . . .	1,074	910	1,081	773	3,838
Edscha Subgroup . . . . .	234				234
<b>Total</b> . . . . .	<b>3,521</b>	<b>1,588</b>	<b>1,770</b>	<b>20,600</b>	<b>27,479</b>

**GESTAMP AUTOMOCIÓN, S.A. AND SUBSIDIARIES**  
**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS**  
**FOR THE YEARS ENDED DECEMBER 31, 2012, 2011 AND 2010 (Continued)**

**22. Non-trade liabilities (Continued)**

*Other current financial liabilities*

The amounts included under this heading by nature at December 31, 2012, 2011 and 2010 are as follows:

	2012	2011	2010
	(Thousands of euros)		
Fixed assets suppliers . . . . .	132,437	80,589	40,427
Short term debts . . . . .	20,542	39,144	11,987
Short term interests payable . . . . .	68	20	—
Deposits and guarantees . . . . .	—	—	7
Other . . . . .	182	(103)	—
	<u>153,229</u>	<u>119,650</u>	<u>52,420</u>

**b.4) Non-current derivatives**

The fair value of interest rate and exchange rate hedges contracted by the Company at December 31, 2012, 2011 and 2010 are recognized in “Financial assets—derivatives” and “Financial liabilities—derivatives”:

Description	2012	2011	2010
	(Thousands of euros)		
<i>Financial assets—derivatives</i> . . . . .	<u>14,174</u>	<u>10,123</u>	<u>—</u>
Derivatives held for trading . . . . .	6,576	6,261	—
Other . . . . .	7,598	3,862	—
<i>Financial liabilities—derivatives</i> . . . . .	<u>52,949</u>	<u>47,082</u>	<u>28,101</u>
Derivatives held for trading . . . . .	12,520	6,343	5,937
Cash flow hedges . . . . .	32,831	36,878	22,169
Other . . . . .	7,598	3,861	—

The breakdown of the fair value of the contracts is as follows:

Hedge	Item	2012		2011		2010	
		Asset	Liability	Asset	Liability	Asset	Liability
		(Thousands of euros)					
1	Cash flow . . . . .	—	—	—	71	—	1,237
2	Cash flow . . . . .	—	57	—	7,834	—	14,665
3	Cash flow . . . . .	—	573	—	1,752	—	3,184
4	Cash flow . . . . .	—	11	—	1,582	—	3,000
5	Cash flow . . . . .	—	10,940	—	8,321	—	1,961
6	Cash flow . . . . .	—	20,688	—	15,836	—	(1,883)
9	Cash flow . . . . .	—	—	—	1,482	—	—
11	Cash flow . . . . .	—	562	—	—	—	—
	<b>Total cash flow hedges . . . . .</b>	<u>—</u>	<u>32,831</u>	<u>—</u>	<u>36,878</u>	<u>—</u>	<u>22,164</u>
7	Derivatives held for trading . . . . .	5,691	—	6,261	—	—	—
8	Derivatives held for trading . . . . .	—	5,254	—	3,294	—	—
9	Derivatives held for trading . . . . .	—	6,264	—	—	—	—
10	Derivatives held for trading . . . . .	885	—	—	—	—	—
12	Derivatives held for trading . . . . .	—	1,002	—	3,049	—	5,937
	<b>Total derivatives held for trading . . . . .</b>	<u>6,576</u>	<u>12,520</u>	<u>6,261</u>	<u>6,343</u>	<u>—</u>	<u>5,937</u>

**GESTAMP AUTOMOCIÓN, S.A. AND SUBSIDIARIES**  
**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS**  
**FOR THE YEARS ENDED DECEMBER 31, 2012, 2011 AND 2010 (Continued)**

**22. Non-trade liabilities (Continued)**

The interest rate hedges in place at year end 2012 were as follows:

Nº	Type of hedge	Effective date	Year	Notional value	Payable	Receivable	Maturity
1	Effective hedge	February 28, 2007	—	—	—	—	February 29, 2012
2	Effective hedge	January 2, 2009	2013	266,667	3.979%	3-month Euribor	January 2, 2013
3	Effective hedge	January 30, 2009	2013	22,500	4.20%	1-month Euribor	July 30, 2013
4	Effective hedge	January 4, 2010	2013	50,000	4.20%	3-month Euribor	January 2, 2013
5	Effective hedge	April 1, 2010	2013 2014	196,000 192,500	3.05% 2.99%	3-month Euribor	January 2, 2015
6	Effective hedge	April 1, 2010	2013 2014	362,000 357,500	3.05% 3.11%	3-month Euribor	January 1, 2015
7	Speculative	April 1, 2010	2013 2014	364,000 357,500	2.30% + percentage tied to Spanish inflation 2012 rate	3.05% 3.11%	January 1, 2015
8	Speculative	July 1, 2011	2013 2014 2015	100,000 100,000 100,000	2.17%	3-month Euribor plus a differential referenced to Spanish inflation rate	October 1, 2015
9	Speculative <sup>(a)</sup>	July 1, 2012	2013 2014 2015 2016 2017	120,000 120,000 120,000 120,000 120,000	Until June 28, 2013: 0.85%  Until June 30, 2015: 1.50%  Until June 30, 2017: 1.90%	1-month Euribor	June 30, 2017
10	Speculative	April 1, 2012	2013 2014	196,000 192,500	2.825% 2.750%	3.05% 2.99%	January 1, 2015
11	Effective hedge	August 6, 2012	2013 2014 2015 2016	50,000 42,000 14,000 10,000	0.975%	3-month Libor	June 30, 2016
12	Speculative	January 30, 2009	2013	38,559	4.42%	3-month Euribor plus 1.10%	July 30, 2013

(a) This accounting hedge is a result of a restructuring of several swap agreements with a fixed notional amount (2013: 100,000; 2014: 100,000 and 2015: 100,000) of which effective date was October 17, 2011.

Under the heading “Others” the Company includes the purchase option of the 60% shareholding of Essa Palau, S.A. for 3,000 thousand euros which has been fully impaired (Note 8), as well as the present value of implicit derivatives of exchange rates applicable to sales prices in certain customer contracts.

At December 31, 2012, the Company arranged four accounting hedging strategies:

**Strategy 1:** The first strategy was designed to hedge interest rate risk on loans signed in 2012 by the Gestamp Metal Forming Subgroup for 50 million sterling pounds, via several interest rate swaps with an aggregate notional amount of 50 million sterling pounds (62 million euros) at December 31, 2012.



**GESTAMP AUTOMOCIÓN, S.A. AND SUBSIDIARIES**  
**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS**  
**FOR THE YEARS ENDED DECEMBER 31, 2012, 2011 AND 2010 (Continued)**

**22. Non-trade liabilities (Continued)**

**Strategy 2:** The second strategy was designed to hedge interest rate risk on the Group's estimated remaining net debt for the period from 2013 to 2017 via several interest rate swaps with the following current notional amounts:

<u>Year</u>	<u>Thousand of euros</u>
2013 .....	778,000
2014 .....	770,000
2015 .....	120,000
2016 .....	120,000
2017 .....	120,000

The hedging arrangements outlined above qualify as effective hedges under IFRS hedge accounting criteria. Accordingly, changes in the fair value of the swaps are recognized in equity while the interest accrued is recognized in the consolidated income statement.

The cash flows underlying the hedge are expected to affect profit or loss in the following years:

<u>2012</u>	<u>2011</u>	<u>2010</u>
(Thousands of euros)	(Thousands of euros)	(Thousands of euros)
2013 ..... (18,105)	2012 ..... (17,380)	2011 ..... (14,863)
2014 ..... (15,646)	2013 ..... (12,206)	2012 ..... (11,444)
2015 ..... (2,998)	2014 ..... (7,455)	2013 ..... (4,838)
2016 ..... (1,460)	2015 ..... (174)	2014 ..... 1,968
2017 ..... (566)	2016 ..... 256	2015 ..... 1,076
<u>(38,775)</u>	<u>(36,959)</u>	<u>(28,101)</u>

In 2012, the Group transferred from Equity to the Consolidated Income Statement the amount of 19,888 thousand euros (12,618 thousand euros in 2011 and 17,705 thousand euros in 2010) as a result of liquidations carried out in 2012 corresponding to cash flow (interest rate) hedges and registered a financial expense.

In 2012, the Group recognized income for 472 thousand euros in the Consolidated Income Statement relating to ineffective portions of hedges (1,150 thousand euros as an income in 2011 and 12,920 thousand euros as an expense in 2010).

**GESTAMP AUTOMOCIÓN, S.A. AND SUBSIDIARIES**  
**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS**  
**FOR THE YEARS ENDED DECEMBER 31, 2012, 2011 AND 2010 (Continued)**

**23. Trade and other payables**

**a) Trade payables**

	2012	2011	2010
	(Thousands of euros)		
Trade accounts payable . . . . .	510,961	466,460	252,332
Trade bills payable . . . . .	62,519	84,086	74,023
Suppliers from Group companies . . . . .	129,537	164,028	172,662
Suppliers from Associated companies . . . . .	432	2,056	—
Trade creditors, Group companies . . . . .	8,792	5,512	47
Trade creditors, Associated companies . . . . .	2,470	434	1,407
	<u>714,711</u>	<u>722,576</u>	<u>500,471</u>

**b) Other accounts payables**

	2012	2011	2010
	(Thousands of euros)		
Other taxes (Note 24.3) . . . . .	74,732	76,255	63,460
Other payables . . . . .	37,895	39,371	32,330
Outstanding remuneration . . . . .	71,554	76,966	51,784
	<u>184,181</u>	<u>192,592</u>	<u>147,574</u>

**24. Tax**

**24.1 Income Tax**

The Company and its subsidiaries file their income tax returns separately except for:

- The subsidiaries Gestamp North America, Inc., Gestamp Alabama, LLC., Gestamp Mason, LLC., Gestamp Chattanooga, LLC., ALHC, LLC., Gestamp South Carolina, LLC. and Gestamp West Virginia, LLC. file a tax return in accordance with the fiscal transparency system.
- The subsidiaries Edscha España Holding, S.L., Edscha Santander, S.L. and Edscha Burgos, S.L. file a consolidated tax return.
- The subsidiaries Gestamp Global Tooling, S.L., Araluce, S.A., Matricerías Deusto, S.L., Adral, Matricería y Puesta a punto, S.L., and Gestamp Tool Hardening, S.L. file a consolidated tax return.
- The subsidiaries Griwe Innovative Umforttechnik, GmbH., Griwe Werkzeug Produktions GmbH and Griwe System Produktions GmbH file a tax return in conformity with a profit and loss transfer agreement.
- The subsidiaries Edscha Holding, GmbH, Edscha Automotive Hengersberg, GmbH, Edscha Automotive Hauzenberg, GmbH, and Edscha Engineering, GmbH file a tax return in conformity with a profit and loss transfer agreement.
- The subsidiaries GMF Holding, GmbH and Gestamp Umformtechnik, GmbH file a tax return in conformity with a profit and loss transfer agreement.
- The subsidiaries Gestamp Sweden, AB and Gestamp HardTech AB file a tax return in conformity with a profit and loss transfer agreement.

**GESTAMP AUTOMOCIÓN, S.A. AND SUBSIDIARIES**  
**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS**  
**FOR THE YEARS ENDED DECEMBER 31, 2012, 2011 AND 2010 (Continued)**

**24. Tax (Continued)**

The detail of income taxes at December 31, 2012, 2011 and 2010 is as follows:

	2012	2011	2010
	(Thousands of euros)		
Current tax expense . . . . .	58,643	43,892	30,547
Deferred tax . . . . .	17,860	10,202	2,400
Other income tax adjustments . . . . .	(69)	3,295	60
	<u><b>76,434</b></u>	<u><b>57,389</b></u>	<u><b>33,007</b></u>

The heading “Current tax liabilities” of the Consolidated Balance Sheet reflects no withholdings and installment payments on income tax, which are registered in the assets of the Consolidated Balance Sheet.

Tax expense (tax income) is calculated based on accounting profit, as shown below:

	2012	2011	2010
	(Thousands of euros)		
<b>Accounting profit (before taxes) . . . . .</b>	<b>262,568</b>	<b>230,003</b>	<b>146,089</b>
Theoretical tax expense . . . . .	78,770	69,001	43,827
Differences in prevailing rates . . . . .	4,054	(4,666)	(4,245)
Permanent differences . . . . .	(10,430)	(11,005)	1,180
Deductions and tax credits previously not recognized . . . . .	(7,025)	(7,100)	(9,418)
Statute-barred tax credits . . . . .	—	3,676	—
Current income tax of prior years adjustments . . . . .	11,065	3,988	1,663
Other tax adjustments . . . . .	—	3,495	—
<b>Tax expense (tax income) . . . . .</b>	<b>76,434</b>	<b>57,389</b>	<b>33,007</b>

The theoretical tax rate applied is 30% in 2012, 2011 and 2010.

“Differences in prevailing rates” in 2012, 2011 and 2010 reflects the differences between prevailing rates in certain operating markets and the theoretical applicable rate, mainly relating to operations taxed in the US (40%), Brazil (34%), and Argentina (35%).

The permanent differences in 2012, 2011 and 2010 reflect mainly accelerated depreciation, inflation adjustments, nondeductible provisions, fiscal transparency, nondeductible differences in exchange rates, nondeductible expenses, and those differences generated in the consolidation process.

Also, in 2011 “Other tax adjustments” includes adjustments to capitalized tax credits related to differences in rates.

At December 31, 2012, the conversion to euros of tax loss carried forwards in other currencies, calculated at the exchange rates prevailing on that date, amounted to 548 million euros (400 million euros in 2011 and 356 million euros in 2010).

At December 31, 2012, the conversion to euros of unused tax credits carried forward in other currencies calculated at the exchange rates prevailing on that date, amounted to 106 million euros (104 million euros in 2011 and 128 million euros in 2010).

At year end 2012, 2011 and 2010, the Group had capitalized unused tax losses and tax credits that it expects to be able to utilize in future periods based on earnings projections and the deadlines and limits for their utilization.

At December 31, 2012, the Group had capitalized a total of 91 million euros of unused tax losses and unused tax credits (89 million euros capitalized in 2011 and 92 million euros in 2010) (Note 24.2).

The unused tax losses and unused tax credits at December 31, 2012 whose corresponding tax credit has not been registered amount to 127 million euros (2011: 87 million euros; 2010: 164 million euros). From that

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**24. Tax (Continued)**

amount, 72 million euros have limitation period for their utilization between 2013 and 2027 (2011: 57 million euros with limitation period between 2012 and 2026; 2010: 64 million euros with limitation period between 2011 and 2029) and the rest have no limitation period.

The majority of Group companies are open to inspection of all taxes to which they are liable and for the full statute of limitations period (4 years from filing date for all Spanish companies except for those with registered offices in the Basque Country for which the period is three years, and five years, as a rule, for companies based abroad), or since the date of incorporation, if more recent.

Management of the Group companies and its subsidiaries calculated income tax for 2012 and the years open for inspection according to the legislation prevailing in each year. Given that the prevailing tax regulations related to the above mentioned matters are subject to varying interpretations, certain tax liabilities and contingencies may exist for 2012 and previous years that cannot be objectively quantified. However, the Group's directors and their legal and tax advisors consider that any potential tax liability which might arise would not significantly affect the accompanying Consolidated Financial Statements taken as a whole.

**24.2 Deferred taxes**

The breakdown in these headings at December 31, 2012, 2011 and 2010 and the movements during the years then ended are as follows:

Deferred tax assets	Tax credits	Reversal of start-up expenses	Fair value of property and buildings	Non-deductible provisions	Accelerated depreciation	Unrealized, non-deductible exchange gains (losses)	Other	Total
(Thousands of euros)								
<b>At December 31, 2009</b>	<b>103,669</b>	<b>2,544</b>	<b>17,661</b>	<b>6,934</b>	<b>5,307</b>	<b>4,105</b>	<b>9,693</b>	<b>149,913</b>
Inclusion in scope	—	—	—	32,631	—	—	—	32,631
Additions	2,486	—	—	4,379	89	4,114	3,503	14,571
Applications/Reversals	(14,818)	(30)	—	(570)	(98)	(4,317)	(1,848)	(21,681)
Translation differences	343	202	—	—	—	—	940	1,485
Other	725	375	—	(13)	—	—	(424)	663
<b>At December 31, 2010</b>	<b>92,405</b>	<b>3,091</b>	<b>17,661</b>	<b>43,361</b>	<b>5,298</b>	<b>3,902</b>	<b>11,864</b>	<b>177,582</b>
Inclusion in scope	789	—	—	8,309	—	—	912	10,010
Additions	13,973	373	39	5,421	394	5,971	7,434	33,605
Applications/Reversals	(21,143)	(396)	(37)	(7,212)	(15)	(3,648)	(6,419)	(38,870)
Translation differences	—	(890)	—	(171)	3	23	(920)	(1,955)
Other	2,900	(375)	2	2,977	511	4,468	(7,458)	3,025
<b>At December 31, 2011</b>	<b>88,924</b>	<b>1,803</b>	<b>17,665</b>	<b>52,685</b>	<b>6,191</b>	<b>10,716</b>	<b>5,413</b>	<b>183,397</b>
Additions	7,140	480	184	7,554	16	5,308	4,464	25,146
Applications/Reversals	(10,662)	—	—	(18,125)	(1,079)	(6,720)	(6,605)	(43,191)
Translation differences	—	(885)	—	468	9	482	(1,644)	(1,570)
Other	5,793	490	—	3,890	1,737	(546)	(847)	10,517
<b>At December 31, 2012</b>	<b>91,195</b>	<b>1,888</b>	<b>17,849</b>	<b>46,472</b>	<b>6,874</b>	<b>9,240</b>	<b>781</b>	<b>174,299</b>

The 2010 inclusions in scope of deferred tax assets fully correspond to the Edscha Subgroup.

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**24. Tax (Continued)**

The 2011 inclusions in scope of deferred tax assets correspond mainly to the fiscal effect of the restructuring provision included in the Gestamp Metal Forming Subgroup.

The 2011 decreases in provisions correspond mainly to the fiscal effect of restructuring provisions and onerous contracts of the Edscha and Gestamp Metal Forming Subgroups.

The 2012 decreases correspond to the reversal of the provision created in previous years by the parent Company for surplus provision on settled litigations (Note 20).

Deferred tax liabilities	Portfolio provisions—individual companies	Tax deduction—goodwill individual companies	Capitalization of expenses	Allocation to goodwill	Revaluation of land and buildings	Depreciation/amortization	Other	Total
(Thousands of euros)								
At December 31, 2009 .	7,358	3,284	5,950	711	84,416	9,504	13,114	124,337
Inclusion in scope . . .	—	—	—	27,887	1,700	—	—	29,587
Increases . . . . .	—	1,062	298	—	—	2,235	3,150	6,745
Decreases . . . . .	—	—	(127)	—	(3,047)	(41)	(1,117)	(4,332)
Translation differences	—	—	—	—	—	—	1,323	1,323
Other movements . . .	—	—	(58)	—	—	—	(1,935)	(1,993)
At December 31, 2010 .	7,358	4,346	6,063	28,598	83,069	11,698	14,535	155,667
Inclusion in scope . . .	—	—	—	12,259	—	—	78	12,337
Increases . . . . .	—	860	3,363	—	—	1,999	5,723	11,945
Decreases . . . . .	(2,780)	—	(860)	(3,133)	(1,431)	(264)	(3,231)	(11,699)
Translation differences	—	—	(10)	—	11	(58)	(237)	(294)
Other movements . . .	1,047	61	210	395	1,947	(97)	(1,024)	2,539
At December 31, 2011 .	5,625	5,267	8,766	38,119	83,596	13,278	15,844	170,495
Increases . . . . .	—	860	11,143	—	—	942	3,774	16,719
Decreases . . . . .	(1,123)	—	(369)	(3,795)	(1,383)	(49)	(2,879)	(9,598)
Translation differences	—	—	187	—	—	42	(1,722)	(1,493)
Other movements . . .	(83)	1,215	(73)	(63)	(1,725)	(519)	1,317	69
At December 31, 2012 .	4,419	7,342	19,654	34,261	80,488	13,694	16,334	176,192

The 2010 inclusions in scope of deferred tax liabilities fully correspond to the Edscha Subgroup.

The 2011 inclusions in scope of deferred tax liabilities fully correspond to Loire S.A. Franco Española and the Gestamp Metal Forming Subgroup, and they reflect the tax consequences from capital gains arising from the revaluation of tangible and intangible assets in the context of the fair value valuation of the assets incorporated from these business combinations.

**24.3 Current income tax assets**

This line item, which at December 31, 2012 amounted to 37,853 thousand euros, mainly reflects receivables balances related to corporate tax refund. At December 31, 2011 and 2010 the amount of this issue was 33,847 and 29,330 thousand euros respectively.

**24.4 Other taxes**

The breakdown of current tax receivables and payables at December 31, 2012, 2011 and 2010 is as follows:

	2012	2011	2010
(Thousands of euros)			
Sundry receivables from Public Authorities . . . . .	90,133	81,554	47,110
VAT refund . . . . .	79,268	76,693	37,281
Receivable grants . . . . .	5,599	1,366	1,416
Other . . . . .	5,266	3,495	8,413
Receivables from Social Security . . . . .	258	747	302
Withholdings and installment payments on income tax . . . . .	22,198	20,323	24,128
	<u>112,589</u>	<u>102,624</u>	<u>71,540</u>

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	<u>2012</u>	<u>2011</u>	<u>2010</u>
	(Thousands of euros)		
VAT payable . . . . .	18,178	14,786	9,927
Tax withholdings payable . . . . .	18,416	14,996	13,139
Other items payable to the tax authorities . . . . .	15,925	24,950	23,212
Payable to social security . . . . .	22,213	21,523	17,182
	<u>74,732</u>	<u>76,255</u>	<u>63,460</u>

An entity discloses any tax-related contingent liabilities and contingent assets in accordance with IAS37. Contingent liabilities and contingent assets may arise, for example, from unresolved disputes with the taxation authorities. Similarly, where changes in tax rates or tax laws are enacted or announced after the reporting period, an entity discloses any significant effect of those changes on its current and deferred tax assets and liabilities.

**25. Operating income**

**a) Revenue**

The breakdown of “Revenue” in the years ended December 31, 2012, 2011 and 2010 is as follows:

	<u>2012</u>	<u>2011</u>	<u>2010</u>
	(Thousands of euros)		
Parts, prototypes, and components . . . . .	5,173,568	4,278,755	2,971,281
Tools . . . . .	312,218	281,365	105,117
Byproducts and containers . . . . .	257,086	200,589	93,238
Services rendered . . . . .	14,442	13,913	731
	<u>5,757,314</u>	<u>4,774,622</u>	<u>3,170,367</u>

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**25. Operating income (Continued)**

The geographical breakdown of revenue in 2012, 2011 and 2010 is as follows:

	2012	2011	2010	2012	2011	2010
	(Thousands of euros)			(%)		
<b>European Union</b> . . . . .	3,507,018	3,025,753	1,978,009	61%	63%	63%
<b>Home market</b> . . . . .	1,054,547	1,244,860	1,037,994	18%	26%	33%
<b>Other European Union countries</b>	2,452,471	1,780,893	940,015	43%	37%	30%
France . . . . .	408,642	271,694	126,947			
Portugal . . . . .	116,053	127,808	102,316			
Poland . . . . .	141,669	138,636	97,929			
Hungary . . . . .	48,006	49,937	46,790			
Slovakia . . . . .	8,409	8,824	6,628			
Czech Republic . . . . .	88,485	78,413	49,345			
United Kingdom . . . . .	558,002	237,282	28,320			
Sweden . . . . .	85,422	89,566	83,225			
Germany . . . . .	997,783	778,733	398,515			
<b>Other markets</b> . . . . .	2,250,296	1,748,869	1,192,358	39%	37%	37%
<b>America</b> . . . . .	1,515,010	1,240,086	860,200	26%	26%	27%
Brazil . . . . .	494,009	402,521	329,888			
Argentina . . . . .	240,205	257,000	189,408			
Mexico . . . . .	284,511	210,557	168,000			
USA . . . . .	496,285	370,008	172,904			
<b>Asia</b> . . . . .	472,480	328,218	231,008	8%	7%	7%
India . . . . .	122,377	111,561	74,207			
South Korea . . . . .	64,811	67,447	62,882			
China . . . . .	283,268	145,956	91,254			
Taiwan . . . . .	220	1,097	219			
Japan . . . . .	1,804	2,157	2,446			
<b>Other</b> . . . . .	262,806	180,565	101,150	5%	4%	3%
Russia . . . . .	173,236	117,824	48,662			
Turkey . . . . .	89,570	62,741	52,488			
<b>TOTAL</b> . . . . .	<u>5,757,314</u>	<u>4,774,622</u>	<u>3,170,367</u>	<u>100%</u>	<u>100%</u>	<u>100%</u>

**b) Other operating income**

The breakdown of “Other operating income” in the consolidated income statement for the years ended December 31, 2012, 2011 and 2010 is as follows:

	2012	2011	2010
	(Thousands of euros)		
Other operating income . . . . .	13,283	2,599	61,527
Grants related to income . . . . .	5,623	2,898	2,841
Grants related to assets released to income for the year (Note 19) . .	4,934	7,535	4,219
Surplus provision for other commitments . . . . .	6,335	1,858	33
Surplus provision for environmental matters . . . . .	(5)	(6)	—
Own work capitalized . . . . .	61,651	21,686	15,516
	<u>91,821</u>	<u>36,570</u>	<u>86,486</u>

In 2010 “Other operating income” included the business combination effects from the acquisition of the Edscha Subgroup (Note 4.2).

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**26. Operating expenses**

**a) Raw materials and other consumables**

	2012	2011	2010
	(Thousands of euros)		
Purchases of goods and tools for resale . . . . .	387,104	391,879	478,371
Discounts for prompt payment . . . . .	(97)	(69)	(519)
Purchase returns and similar transactions . . . . .	(6,011)	(5,130)	(3,617)
Volume discounts . . . . .	(8,769)	(5,783)	(4,136)
Change in inventories (Note 10) . . . . .	(21,171)	(78,839)	(55,159)
Purchases of raw materials . . . . .	2,602,812	2,364,221	1,307,054
Consumption of other supplies . . . . .	406,482	298,615	216,794
Work performed by third parties . . . . .	268,305	196,156	98,837
Impairment of goods for resale and raw materials (Note 10) . .	7,088	4,441	2,567
Reversal of impairment of goods for resale and raw materials .	(486)	(223)	(282)
	<u>3,635,257</u>	<u>3,165,268</u>	<u>2,039,910</u>

**b) Personnel expenses**

The breakdown of this heading in the year ended December 31, 2012, 2011 and 2010 is as follows:

	2012	2011	2010
	(Thousands of euros)		
Salaries . . . . .	763,317	560,858	413,851
Social security . . . . .	183,144	134,790	94,492
Other benefits expenses . . . . .	43,111	38,231	27,245
	<u>989,572</u>	<u>733,879</u>	<u>535,588</u>

The average headcount in 2012, 2011 and 2010 is 30,313; 26,519 and 17,505 respectively.

**c) Other operating expenses**

The breakdown of this line in the consolidated income statement for the years ended December 31, 2012, 2011 and 2010 is as follows:

	2012	2011	2010
	(Thousands of euros)		
Maintenance and upkeep . . . . .	385,827	280,860	184,329
Other external services . . . . .	224,428	173,647	117,536
Taxes and levies . . . . .	25,955	19,369	15,199
Impairment of accounts receivable (Note 11) . . . . .	1,135	1,633	2,742
Other . . . . .	(10,101)	(8,255)	(615)
Profits from disposal of assets . . . . .	(1,965)	(2,163)	(1,119)
Increase/Application of provisions (Note 20) . . . . .	(8,100)	(12,321)	(9,659)
Profit from business combination (Note 4.2) . . . . .	—	(8,457)	—
Other . . . . .	(36)	14,686	10,163
	<u>627,2044</u>	<u>467,254</u>	<u>319,191</u>



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**27. Financial income and financial expenses**

**a) Financial income**

	2012	2011	2010
	(Thousands of euros)		
From equity investments . . . . .	—	11	26
From non-current loans to Group companies . . . . .	45	97	—
From current loans to Group companies . . . . .	1,659	1,695	2,381
From non-current loans to third parties . . . . .	—	195	6
From current loans to third parties . . . . .	1,549	471	1,903
Other financial income . . . . .	4,064	7,484	2,722
	<u>7,317</u>	<u>9,953</u>	<u>7,038</u>

**b) Financial expenses**

	2012	2011	2010
	(Thousands of euros)		
On borrowings from Group companies . . . . .	4,147	4,265	2,301
On borrowings from associates . . . . .	1,500	888	316
On bank borrowings . . . . .	68,188	55,562	54,513
On trade bills . . . . .	6,029	4,475	2,553
Other financial expenses . . . . .	7,625	7,179	4,242
On update provisions . . . . .	—	124	—
	<u>87,489</u>	<u>72,493</u>	<u>63,925</u>

**28. Contingent liabilities and commitments**

The Company is joint guarantor, together with other companies from Gestamp Automoción Group, of a loan for 125 million euros granted to its majority shareholder, Corporación Gestamp, S.L. on June 27, 2011, of which the latter had drawn down 108 million euros at December 31, 2012 and December 31, 2011. At both dates none of the financial covenants stipulated in the loan agreement had been breached.

Some companies from the Gestamp Automoción Group are joint guarantor of a loan which was initially for 50 million euros, on November 17, 2011, and was granted to the company Corporación Gestamp, S.L. The latter had drawn down 43 million euros at December 31, 2012 and December 31, 2011. At both dates none of the financial covenants stipulated in the loan agreement had been breached.

The Group companies have not provided liens to third parties for significant amounts other than the Griwe Subgroup and Adral Matricería y Puesta a Punto, S.L. PP&E items pledged to guarantee repayment of the loans they were granted (Note 7) or other non-current borrowings.

**2011:**

The Company is joint guarantor, together with other companies from Gestamp Automoción Group and from Holding Gonvarri Group, of a loan which was initially for 100 million euros, matures on September 15, 2012, and was granted to its majority shareholder, Corporación Gestamp, S.L. The loan agreement includes certain financial covenants with respect to the Consolidated Financial Statements. The balance outstanding at December 31, 2011 was 6,250 thousand euros. At December 31, 2011 none of the financial covenants stipulated in the loan agreement had been breached.

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**28. Contingent liabilities and commitments (Continued)**

*Operating lease commitments*

The Group is a lessee of buildings, warehouses, machinery and vehicles. The lease expenses charged to the December 31, 2012 Consolidated Income Statement amount to 47,532 thousand euros (at December 31, 2011 38,500 thousand euros and at December 31, 2010 27,725 thousand euros).

Total future minimum payments for operating leases at December 31, 2012, 2011 and 2010 are as follows:

	2012	2011	2010
	(Thousands of euros)		
Less than 1 year . . . . .	39,646	23,087	22,578
Between 1 and 5 years . . . . .	122,565	54,534	70,656
More than 5 years . . . . .	76,996	68,604	78,050
	<u>239,207</u>	<u>146,225</u>	<u>171,284</u>

**29. Related party transactions**

**29.1 Group companies and associates**

The related party relationships breakdown as at 31 December 2012 is:

Company	Category
Corporation Gestamp, S.L. Arcelor Mittal	Parent Entities
Gonvarri Subgroup Renewables Subgroup Inmobiliaria Acek Gescrap Subgroups	Associates from Parent Company
Companies disclosed in Annex I and other related parties	Associates

At December 31, 2012, 2011 and 2010, the amounts payable to and receivable from associates and transactions carried out with associates, are as follows:

		Sales to related parties	Purchases from related parties	Amounts owed by related parties	Amounts owed to related parties
<b>Parent Entities</b>					
	<b>2012</b>	(74)	260,587	4,131	(48,309)
	<b>2011</b>	(286)	236,828	14	(47,648)
	<b>2010</b>	(1,243)	119,663	29,274	(1,039)
<b>Associates from Parent Company</b>					
	<b>2012</b>	(125,392)	804,525	43,562	(186,629)
	<b>2011</b>	(169,458)	782,543	64,596	(182,970)
	<b>2010</b>	(11,865)	568,264	42,539	(190,245)
<b>Associates</b>					
	<b>2012</b>	(4,237)	17,527	27,956	(29,835)
	<b>2011</b>	(3,010)	7,637	10,004	(16,050)
	<b>2010</b>	(3,812)	9,592	19,095	(16,313)

The Company carries out commercial and financial transactions with the companies of Gestamp Automoción, S.A. and the subsidiaries under the terms and conditions established among the parties on an arm's length basis. Intra-Group transfer prices are duly documented as stipulated by the prevailing legislation.

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**29. Related party transactions (Continued)**

**29.2 Board of Directors' remuneration**

In 2012, 2011 and 2010 the members of the Company's Board of Directors received no remuneration from any of the companies which compose the Group, nor were they granted advances, pension or life insurance benefits.

In 2012 Corporación Gestamp, S.L. received total remuneration of 2,684 thousand euros as compensation for membership of the Board of Directors of certain Group companies (2011: 3,018 thousand euros; 2010: 1,781 thousand euros).

In 2012, 2011 and 2010, no loans or advances, pensions or life insurance benefits were granted to members of its Board.

**29.3 Senior Management's Remuneration**

In 2012 total remuneration for the members of the Management Committee, which fully correspond to salaries, amounted to 1,506 thousand euros (2011: 1,176 thousand euros; 2010: 4,645 thousand euros), included in "Personnel expenses" in the accompanying consolidated income statement. The company made no contributions to pension plans on their behalf.

**30. Financial risk management objectives and policies**

To manage its financial risk, the Group continually revises its business plans, analyzes the relationship between the risks and the present value of cash flows associated with its investments in addition to taking an accounting approach that allows an assessment of changes in risk exposure.

**30.1 Financial risk factors**

In compliance with prevailing legislation, below is a description of the main financial risks to which the Group is exposed:

- Market risk
  - Exposure to fluctuations in foreign exchange rates
  - Exposure to fluctuations in interest rates
- Liquidity risk

*Foreign currency risk*

Fluctuations in the exchange rate between the currency in which a transaction is denominated and the Group's presentation currency can have a negative or positive impact on its profit or loss, specifically affecting management of its financial debt.

The Group mainly operates in the following currencies:

- Euro
- US dollar
- Mexican peso
- Argentine peso
- Brazilian real
- GB pound
- Swedish crown
- Polish zloty

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**30. Financial risk management objectives and policies (Continued)**

- Hungarian forint
- Turkish lira
- Indian rupee
- Korean won
- Chinese yuan
- Russian ruble
- Czech crown
- Yen
- Taiwanese dollar

To manage exchange rate risk, the Group uses a series of financial instruments that give it a degree of flexibility, basically comprised of the following:

- A. Foreign currency forward contracts: These arrangements lock in the price at which an entity can buy or sell a currency on a set date; the timing can be adjusted to align the transactions with the hedged cash flows.
- B. “Puttable instruments”: Other derivatives are also used to hedge currency risk, including those designed to lock in a maximum or minimum exchange rate (collar or tunnel) at a set settlement date.

The tables below show the sensitivity of profit and equity, in thousands of euros, to changes in exchange rates relative to the euro.

The sensitivity of profit to exchange rate fluctuations, corresponding to years 2012, 2011 and 2010, is as follows:

Currency	2012	
	IMPACT ON PROFIT	
	5% Fluctuation	– 5% Fluctuation
Swedish crown . . . . .	46	(46)
US dollar . . . . .	452	(452)
Hungarian forint . . . . .	(172)	172
Sterling pound . . . . .	655	(655)
Mexican peso . . . . .	644	(644)
Brazilian reais . . . . .	316	(316)
Chinese renminbi . . . . .	743	(743)
Indian rupee . . . . .	199	(199)
Turkish lira . . . . .	267	(267)
Argentine peso . . . . .	552	(552)
Russian ruble . . . . .	335	(335)
Korean won . . . . .	(64)	64
Polish zloty . . . . .	141	(141)
Czech crown . . . . .	232	(232)
Japanese yen . . . . .	(49)	49
Taiwan dollar . . . . .	2	(2)
Samoan Tala . . . . .	—	—
<b>IMPACT IN ABSOLUTE TERMS . . . . .</b>	<b>4,299</b>	<b>(4,299)</b>
<b>PROFIT ATTRIBUTABLE TO EQUITY HOLDERS OF PARENT . . . . .</b>	<b>170,141</b>	<b>170,141</b>
<b>EFFECT IN RELATIVE TERMS . . . . .</b>	<b>2.53%</b>	<b>– 2.53%</b>

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**30. Financial risk management objectives and policies (Continued)**

<u>Currency</u>	<b>2011</b>	
	<b>IMPACT ON PROFIT</b>	
	<b>5% Fluctuation</b>	<b>- 5% Fluctuation</b>
Swedish crown . . . . .	33	(33)
US dollar . . . . .	(275)	275
Hungarian florint . . . . .	306	(306)
Sterling pound . . . . .	3,675	(3,675)
Mexican peso . . . . .	464	(464)
Brazilian reais . . . . .	(134)	134
Chinese renminbi . . . . .	1,635	(1,635)
Indian rupee . . . . .	(296)	296
Turkish lira . . . . .	(108)	108
Argentine peso . . . . .	776	(776)
Russian ruble . . . . .	365	(365)
Korean won . . . . .	94	(94)
Polish zloty . . . . .	459	(459)
Czech crown . . . . .	343	(343)
Japanese yen . . . . .	(8)	8
Taiwan dollar . . . . .	5	(5)
<b>IMPACT IN ABSOLUTE TERMS . . . . .</b>	<b>7,334</b>	<b>(7,334)</b>
<b>PROFIT ATTRIBUTABLE TO EQUITY HOLDERS OF PARENT . . . . .</b>	<b>168,486</b>	<b>168,486</b>
<b>EFFECT IN RELATIVE TERMS . . . . .</b>	<b>4.35%</b>	<b>- 4.35%</b>

<u>Currency</u>	<b>2010</b>	
	<b>IMPACT ON PROFIT</b>	
	<b>5% Fluctuation</b>	<b>- 5% Fluctuation</b>
Swedish crown . . . . .	224	(224)
US dollar . . . . .	(264)	264
Hungarian florint . . . . .	57	(57)
Sterling pound . . . . .	(14)	14
Mexican peso . . . . .	124	(124)
Brazilian reais . . . . .	572	(572)
Chinese renminbi . . . . .	984	(984)
Indian rupee . . . . .	(33)	33
Turkish lira . . . . .	281	(281)
Argentine peso . . . . .	372	(372)
Russian ruble . . . . .	(71)	71
Korean won . . . . .	111	(111)
Polish zloty . . . . .	127	(127)
Czech crown . . . . .	725	(725)
Japanese yen . . . . .	(135)	135
Taiwan dollar . . . . .	17	(17)
Tala . . . . .	(5)	5
<b>IMPACT IN ABSOLUTE TERMS . . . . .</b>	<b>3,072</b>	<b>(3,072)</b>
<b>PROFIT ATTRIBUTABLE TO EQUITY HOLDERS OF PARENT . . . . .</b>	<b>111,354</b>	<b>111,354</b>
<b>EFFECT IN RELATIVE TERMS . . . . .</b>	<b>2.76%</b>	<b>- 2.76%</b>

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**30. Financial risk management objectives and policies (Continued)**

The sensitivity of equity to exchange rate fluctuations, corresponding to years 2012, 2011 and 2010, is as follows:

Currency	2012	
	IMPACT ON EQUITY	
	5% Fluctuation	- 5% Fluctuation
Swedish crown . . . . .	65	(65)
US dollar . . . . .	(1,677)	1,677
Hungarian florint . . . . .	(1,411)	1,411
Sterling pound . . . . .	3,509	(3,509)
Turkish lira . . . . .	(150)	150
Argentine peso . . . . .	45	(45)
Mexican peso . . . . .	777	(777)
Brazilian reais . . . . .	2,254	(2,254)
Russian ruble . . . . .	576	(576)
Indian rupee . . . . .	(180)	180
Korean won . . . . .	529	(529)
Chinese renminbi . . . . .	3,478	(3,478)
Polish zloty . . . . .	1,973	(1,973)
Czech crown . . . . .	1,273	(1,273)
Japanese yen . . . . .	1,072	(1,072)
Taiwan dollar . . . . .	1,088	(1,088)
Samoan tala . . . . .	—	—
<b>IMPACT IN ABSOLUTE TERMS . . . . .</b>	<b>13,221</b>	<b>(13,221)</b>
<b>EQUITY . . . . .</b>	<b>1,550,183</b>	<b>1,550,183</b>
<b>EFFECT IN RELATIVE TERMS . . . . .</b>	<b>0.85%</b>	<b>- 0.85%</b>

Currency	2011	
	IMPACT ON EQUITY	
	5% Fluctuation	- 5% Fluctuation
Swedish crown . . . . .	(57)	57
US dollar . . . . .	(1,928)	1,928
Hungarian florint . . . . .	(1,244)	1,244
Sterling pound . . . . .	2,362	(2,362)
Turkish lira . . . . .	(356)	356
Argentine peso . . . . .	165	(165)
Mexican peso . . . . .	110	(110)
Brazilian reais . . . . .	3,103	(3,103)
Russian ruble . . . . .	273	(273)
Indian rupee . . . . .	(391)	391
Korean won . . . . .	585	(585)
Chinese renminbi . . . . .	2,893	(2,893)
Polish zloty . . . . .	1,612	(1,612)
Czech crown . . . . .	1,046	(1,046)
Japanese yen . . . . .	867	(867)
Taiwan dollar . . . . .	892	(892)
<b>IMPACT IN ABSOLUTE TERMS . . . . .</b>	<b>9,932</b>	<b>(9,932)</b>
<b>EQUITY . . . . .</b>	<b>1,443,912</b>	<b>1,443,912</b>
<b>EFFECT IN RELATIVE TERMS . . . . .</b>	<b>0.69%</b>	<b>- 0.69%</b>

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**30. Financial risk management objectives and policies (Continued)**

<u>Currency</u>	<b>2010</b>	
	<b>IMPACT ON EQUITY</b>	
	<b>5% Fluctuation</b>	<b>- 5% Fluctuation</b>
Swedish crown . . . . .	(248)	248
US dollar . . . . .	(1,844)	1,844
Hungarian florint . . . . .	(1,414)	1,414
Sterling pound . . . . .	(1,371)	1,371
Turkish lira . . . . .	498	(498)
Argentine peso . . . . .	(408)	408
Mexican peso . . . . .	(81)	81
Brazilian reais . . . . .	4,097	(4,097)
Russian ruble . . . . .	(36)	36
Indian rupee . . . . .	159	(159)
Korean won . . . . .	412	(412)
Chinese renminbi . . . . .	856	(856)
Polish zloty . . . . .	1,082	(1,082)
Czech crown . . . . .	729	(729)
Japanese yen . . . . .	574	(574)
Taiwan dollar . . . . .	593	(593)
Samoa Tala . . . . .	589	(589)
<b>IMPACT IN ABSOLUTE TERMS . . . . .</b>	<b>4,187</b>	<b>(4,187)</b>
<b>EQUITY . . . . .</b>	<b>1,206,607</b>	<b>1,206,607</b>
<b>EFFECT IN RELATIVE TERMS . . . . .</b>	<b>0.35%</b>	<b>- 0.35%</b>

*Interest rate risk*

The Group's borrowings mainly bear interest at variable rates, exposing it to risk from fluctuations in market interest rates, so that market fluctuations affect cash flows. The Group mitigates this risk by using interest rate derivatives, mainly swaps, by which it converts the floating rate on a loan into a fixed rate. It may swap the rate on a portion of the loan or on the entire loan, and for its entire duration or a part thereof.

Virtually all the Group's borrowings are at floating rates indexed to Euribor.

Had the average interest on euro denominated financial borrowings been 5% higher or lower in 2012, all other variables remaining constant, the finance cost would have been 1.09 million euros higher or lower.

Had the average interest on euro denominated financial borrowings been 5% higher or lower in 2011, all other variables remaining constant, the finance cost would have been 0.98 million euros higher or lower.

Had the average interest on euro denominated financial borrowings been 5% higher or lower in 2010, all other variables remaining constant, the finance cost would have been 0.34 million euros higher or lower.

- **Liquidity risk**

Liquidity risk is defined as the risk that a company will not be able to service its commitments as a result of adverse conditions in the debt and/or equity markets that prevent or hinder its capital raising efforts.

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**30. Financial risk management objectives and policies (Continued)**

The Group manages liquidity risk by maintaining sufficient cash balances to enable it to negotiate refinancing on the best possible terms and to cover its near- term cash outlays, thereby avoiding the need to raise funds on disadvantageous terms.

The breakdown of liquidity and capital resources at December 31, 2012, 2011 and 2010, is as follows:

	2012	2011	2010
	(Thousands of euros)		
Cash and cash equivalents . . . . .	247,566	260,053	337,051
Current financial investments			
Debt securities . . . . .	12,518	4,349	30,677
Undrawn credit lines . . . . .	143,191	98,618	110,041
	<u>403,275</u>	<u>363,020</u>	<u>477,769</u>

- Credit risk

Credit risk is the risk that the counterparty will not meet its obligations under a financial instrument or customer contract, leading to a financial loss. The Group is exposed to credit risk from its operating activities (primarily trade receivables) and from its financing activities, including deposits with banks and financial institutions, foreign exchange transactions and other financial instruments.

Credit risk is concentrated primarily in the Group's accounts receivable. Management considers that its counterparties are very creditworthy.

Each business unit manages its credit risk according to policies, procedures and controls determined by the Group regarding credit risk management of customers.

At each closing date, the Group companies analyze on the basis of real historical data the balances of each major client individually in order to determine the need for provisions or impairment.

The Group has no guarantee on debts and has concluded that the risk concentration is low given that its customers belong to distinct jurisdictions and operate in highly independent markets.

The credit risk with banks is managed by the treasury department of the Group according to the Group policies.

The surplus cash investments are contracted only with authorized counterparties and always within the credit limit assigned for each counterparty.

The limits are established in order to minimize risk concentration, thereby mitigating financial losses in the event of default by the counterparty.

The maximum exposure of the Group to credit risk at December 31, 2012, 2011 and 2010 amounts to the carrying values (Note 11), except for financial guarantees and derivative financial instruments.

*Raw Materials Price Risk*

The steel is the main raw material used in the business. In 2012, 65% of the steel was purchased through programs of re-sale with clients, whereby the manufacturer negotiates the price of steel used by the Group in the production of automotive components. The negotiated price is directly included in the selling price customer.

The rest of the purchases of steel were performed through contracts negotiated with suppliers.

Historically, and in accordance with the standards of the automotive industry, the Group has been able to negotiate with clients, significantly, the transfer of the impact of variations in the price of steel.



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**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS**  
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**30. Financial risk management objectives and policies (Continued)**

**30.2 Hedge accounting**

For the purpose of hedge accounting, the Group classifies its hedges as:

- Fair value hedges when hedging the exposure to changes in the market value of a recognized asset or liability, or of a firm commitment attributable to a specific risk.
- Cash flow hedges when hedging exposure to fluctuations in cash flows that are either attributable to a particular risk associated with a recognized asset or liability, or a highly probable forecast transaction.
- Hedges of a net investment in a foreign operation when hedging exposure to variability in exchange rates relative to a net investment in a foreign operation.

Such derivative financial instruments are initially recognized at acquisition cost and are subsequently marked to market. Changes in fair value are normally accounted for in keeping with specific hedge accounting criteria.

The accounting for these instruments is carried out as follows:

- Fair value hedges: changes in the fair value of the hedging instrument and the hedged item, in both instances attributable to the risk hedged, are recognized in the consolidated income statement.
- Cash flow hedges: changes in the fair value of the hedging instrument attributable to the risk hedged are recognized in “Retained earnings” in equity. Amounts taken to equity are transferred to the Consolidated Income Statement when the hedged cash flows affect profit or loss.
- Hedges of a net investment in a foreign operation: these hedges are accounted for in a way similar to cash flow hedges. Fair value gains or losses in these hedging instruments are recognized in “Translation differences.” If a foreign operation is sold, the cumulative value of any such gains or losses recognized directly in equity (“Retained earnings”) is transferred to the income statement.

**30.3 Fair value of financial instruments**

The fair value of financial instruments is determined as follows:

- The fair value of financial instruments that are actively traded in organized financial markets is determined by reference to quoted market prices.
- Where there is no active market, fair value is determined using cash flow analysis discounted at market discount rates and based on market assumptions at the time of the estimate.

*Non-current financial assets*

There is no difference between the fair value and carrying amount of non-current loans granted since they all accrue interest at floating rates.

Equity investments are carried on the consolidated balance sheet at fair value when they can be valued reliably. Since it is usually not possible to measure the fair value of shareholdings in unlisted companies reliably, these investments are valued at acquisition cost or lower if there is evidence of impairment.

Changes in fair value, net of the related tax effect, are recognized with a charge or credit, as appropriate, to “Retained earnings” within “Equity” until these investments are sold, at which time the cumulative amount recognized in equity is recognized in full in the consolidated income statement. If fair value is lower than acquisition cost, the difference is recognized directly in equity, unless the asset is determined to be impaired, in which case it is recognized in the consolidated income statement.

*Trade receivables*

For receivables due in less than one year, the Group considers the carrying amount a reasonable approximation of fair value.

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**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS**  
**FOR THE YEARS ENDED DECEMBER 31, 2012, 2011 AND 2010 (Continued)**

**30. Financial risk management objectives and policies (Continued)**

*Current financial assets*

There is no difference between the fair value and carrying amount of short term loans granted since they all accrue interest at market rates.

For other current financial assets, as their maturity is near the financial year end, the Group considers their carrying amounts a reasonable approximation of fair value.

*Interest-bearing loans and borrowings*

For current and non-current bank borrowings there is no difference between fair value and carrying amount since all these borrowings carry interest at market rates.

*Trade and other payables*

The Group's management considers the carrying amount of the items recorded in this consolidated balance sheet line item to be a reasonable approximation of fair value.

*Fair values of financial instruments*

The fair values of current and non-current financial assets and liabilities do not differ significantly from their respective carrying amounts.

The Group uses the following sequence of three levels, based on the relevance of the variables used, to measure the fair value of its financial instruments:

- Level 1: Unadjusted quoted price for identical assets or liabilities in active markets.
- Level 2: Variables which are observably different from the prices quoted in Level 1, either directly (price), or indirectly (derived from the price).
- Level 3: Variables which are not based on observable market data (non-observable variables).

The classification of financial assets recognized in the financial statements, by methodology of fair value measurement, is as follows:

	Level 1			Level 2			Level 3		
	2012	2011	2010	2012	2011	2010	2012	2011	2010
	(Thousands of euros)								
Financial assets measured at fair value (Note 9)									
Financial derivative hedging instruments . . . . .	—	—	—	14,174	10,123	—	—	—	—
Total . . . . .	—	—	—	14,174	10,123	—	—	—	—

The classification of financial liabilities at fair value in the financial statements, according to their relevant valuation methodology, is as follows:

	Level 1			Level 2			Level 3		
	2012	2011	2010	2012	2011	2010	2012	2011	2010
	(Thousands of euros)								
Financial liabilities measured at fair value (Note 22.b4)									
Financial derivative hedging instruments . . . . .	—	—	—	23,478	21,189	11,181	—	—	—
Financial derivative instruments held-for-trading . .	—	—	—	29,471	25,893	16,920	—	—	—
Total . . . . .	—	—	—	52,949	47,082	28,101	—	—	—

During 2012, 2011 and 2010, no relevant transfers took place between the fair value levels.

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**30. Financial risk management objectives and policies (Continued)**

**30.4 Capital risk management**

The objective of the Group's capital management is to protect its ability to continue as a going concern, upholding the commitment to remain solvent and to maximize shareholder value.

The Group monitors its capital structure based on its leverage ratio. It defines leverage as net debt (current and non-current financial borrowings less short-term investments and cash and cash equivalents) divided by total equity (consolidated equity plus grants pending release to the income statement).

The Group's leverage for 2012, 2011 and 2010 is set forth below:

	2012	2011	2010
Non-current debt . . . . .	919,521	755,900	684,953
Current debt . . . . .	458,623	476,332	455,917
Short term financial investments . . . . .	(53,397)	(35,484)	(80,365)
Cash and cash equivalents . . . . .	(247,566)	(260,053)	(337,051)
<b>TOTAL NET DEBT . . . . .</b>	<b>1,077,181</b>	<b>936,695</b>	<b>723,454</b>
Consolidated equity . . . . .	1,550,183	1,443,912	1,206,607
Grants received . . . . .	29,481	30,267	28,709
<b>TOTAL EQUITY . . . . .</b>	<b>1,579,664</b>	<b>1,474,179</b>	<b>1,235,316</b>
<b>LEVERAGE RATIO . . . . .</b>	<b>68.2%</b>	<b>63.5%</b>	<b>58.6%</b>

The increase in leverage in 2012, is mainly due to the investments in property, plant and equipment. (Note 7)

During 2012, the Group maintained its average collection and payment periods, as well as its average inventory turnover rates, at levels comparable to 2011.

In addition, during 2012 the Group continued to exercise strict control over investments.

The increase in leverage in 2011 is mainly due to the acquisition of new companies: Gestamp Metal Forming Subgroup, Loire Sociedad Anónima Franco Española, and Gestamp South Carolina, LLC. (Note 4.1); additionally, in 2011 the Group has increased its investments in property, plant and equipment (Note 7).

During 2011 the Group maintained its average collection and payment periods, as well as its average inventory turnover rates, at levels comparable to 2010.

In addition, during 2011 the Group continued to exercise strict control over investments.

The financial leverage index in 2010, compared to 2009, remained constant due to the stable average terms of payment and collection, and the inventories ratios on December 31, 2010 with respect to 2009.

In addition, during 2010 the Group continued to exercise strict control over investments

**31. Environmental issues**

The cost of PP&E items acquired for environmental protection and improvement purposes amounted to 3,335 thousand euros at year end 2012. Accumulated depreciation on these assets stood at 2,277 thousand euros (2011: 3,115 thousand euros and 2,068 thousand euros, respectively).

In 2012, the Group also recognized 1,100 thousand euros in environmental protection and improvement expenses (2011: 1,251 thousand euros).

The accompanying consolidated balance sheet does not include any provision for environmental issues given that the Company's directors consider that at year end there are no liabilities to be settled in the future in connection with actions taken by the companies which comprise the consolidated Group to

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**31. Environmental issues (Continued)**

prevent, reduce or repair damages to the environment, and they believe that were such liabilities to exist, they would not be significant. At year end the Group had not received any subsidies for environmental issues.

**32. Subsequent events**

On January 4, 2013, the Company signed an investment agreement with Mitsui & Co. Ltd by virtue of which Mitsui will acquire a 30% non-controlling interest in the Group's operations in North & South America. This agreement is subject to obtaining certain regulatory approvals in order to become effective.

This transaction is expected to take place under the following structure: on the one hand, Mitsui will subscribe to new shares pending issue by Group American subsidiaries equivalent to a 15% stake in these companies. At the same time, Mitsui will grant a convertible loan to these same Group subsidiaries, which will automatically convert into shares of these companies once certain pre-agreed conditions have been met, so that Mitsui would eventually attain 30% ownership of these Group subsidiaries in 2 years.

The total amount of the transaction is 297 million euros: 122 million euros for the initial acquisition of shares and 175 million euros for the convertible loan.

In addition, in January 2013, Corporación Gestamp S.L sold the Gestamp trade mark for automotive classes to the Company. The consideration for the sale has been 31 million euros to be paid within a period of 20 years.

On February 7, 2013 the parent Company signed a loan with EBRD (European Bank of Restructuring and Development) for 150 million euros with maturity date between 2018 and 2020. On February 7, 2013 the subsidiary Edscha Holding GmbH signed a loan with Itaú Bank for 50 million euros with maturity date in December 2016.

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**ANNEX I — Consolidation scope**

Company	Address	Country	December 31, 2012		Activity	Consolidation method	Auditors
			Direct shareholding	Indirect shareholding			
Gestamp Automoción, S.A. . . . .	Vizcaya	Spain	Parent company		Portfolio management	Full	Ernst & Young
Estampaciones Metálicas Vizcaya, S.A. . . . .	Vizcaya	Spain	75.00%	25.00%	Tooling and parts manufacturing	Full	Ernst & Young
Gestamp Vigo, S.A. . . . .	Pontevedra	Spain	99.99%	0.01%	Tooling and parts manufacturing	Full	Ernst & Young
Gestamp Cataforesis Vigo, S.L. . . . .	Pontevedra	Spain	5.01%	94.99%	Parts protection	Full	Ernst & Young
Gestamp Portugal, Lda. . . . .	Viana do Castelo	Portugal	0.01%	99.99%	Tooling and parts manufacturing	Full	Ernst & Young
Gestamp Toledo, S.L. . . . .	Toledo	Spain	99.99%	0.01%	Tooling and parts manufacturing	Full	Ernst & Young
Autotech Engineering AIE . . . . .	Vizcaya	Spain	10.00%	85.00%	Research & Development and IT	Full	Ernst & Young
SCI de Tournan en Brie . . . . .	Tournan	France	0.10%	99.90%	Real State	Full	N/A
Solblank, S.A. . . . .	Barcelona	Spain	5.01%	94.99%	Tailored blank welding	Full	Ernst & Young
Gestamp Palencia, S.A. . . . .	Palencia	Spain	100.00%		Tooling and parts manufacturing	Full	Ernst & Young
Gestamp Argentina, S.A. . . . .	Buenos Aires	Argentina	92.10%	7.90%	Portfolio management	Full	Ernst & Young
Gestamp Córdoba, S.A. . . . .	Córdoba	Argentina		100.00%	Tooling and parts manufacturing	Full	Ernst & Young
Gestamp Linares, S.A. . . . .	Jaén	Spain	5.02%	94.98%	Tooling and parts manufacturing	Full	Ernst & Young
Gestamp Servicios, S.A. . . . .	Madrid	Spain	100.00%		Administrative services	Full	Ernst & Young
Araluce, S.A. . . . .	Vizcaya	Spain		60.00%	Die cutting production	Full	Ernst & Young
Matricerías Deusto, S.L. . . . .	Vizcaya	Spain		60.00%	Die cutting production	Full	Ernst & Young
Galvanizaciones Castellana, S.A. . . . .	Palencia	Spain	5.01%	94.99%	Component galvanizing	Full	Ernst & Young
Gestamp Tech, S.L. . . . .	Palencia	Spain	0.33%	99.67%	Dormant	Full	N/A
Gestamp Brasil Industria de Autopeças S.A. . . . .	Parana	Brazil		100.00%	Tooling and parts manufacturing	Full	Ernst & Young
Metalbages, S.A. . . . .	Barcelona	Spain	100.00%		Tooling and parts manufacturing	Full	Ernst & Young
Estampaciones Martínez, S.A. . . . .	Barcelona	Spain	0.10%	99.90%	Tooling and parts manufacturing	Full	Ernst & Young
Metalbages P-51, S.L. . . . .	Barcelona	Spain	5.31%	94.69%	Tooling and parts manufacturing	Full	Ernst & Young
Gestamp Noury, S.A.S. . . . .	Tournan	France		100.00%	Tooling and parts manufacturing	Full	Ernst & Young
Gestamp Aveiro, S.A. . . . .	Aveiro	Portugal		100.00%	Tooling and parts manufacturing	Full	Ernst & Young
Tavol Internacional SGPS, Lda. . . . .	Madeira	Portugal		100.00%	Dormant	Full	N/A
Griwe Subgroup . . . . .	Westerburg	Germany		94.99%	Tooling and parts manufacturing	Full	Ernst & Young
Gestamp México, S.A.de C.V. . . . .	Aguas Calientes	Mexico		65.00%	Tooling and parts manufacturing	Full	Ernst & Young
Mexicana Servicios Laborales, S.A.de C.V. . . . .	Aguas Calientes	Mexico		65.00%	Labor services	Full	Ernst & Young
Gestamp Puebla, S.A. de C.V. . . . .	Puebla	Mexico		65.00%	Tooling and parts manufacturing	Full	Ernst & Young
Gestamp Cartera de México, S.A. de C.V. . . . .	Puebla	Mexico		65.00%	Portfolio management	Full	Ernst & Young
Gestamp Mexicana de Serv. Laborales, S.A. de C.V. . . . .	Aguas Calientes	Mexico		65.00%	Labor services	Full	Ernst & Young
Gestamp Ingeniería Europa II, S.L. . . . .	Barcelona	Spain		100.00%	Portfolio management	Full	N/A
Todlem, S.L. . . . .	Barcelona	Spain		50.97%	Portfolio management	Full	Ernst & Young
Gestamp Navarra, S.A. . . . .	Navarra	Spain		100.00%	Tooling and parts manufacturing	Full	Ernst & Young
Gestamp Baires, S.A. . . . .	Buenos Aires	Argentina		100.00%	Die cutting, tooling, and parts manufacturing	Full	Ernst & Young
Ingeniería Global MB, S.A. . . . .	Barcelona	Spain		100.00%	Administrative services	Full	N/A
MB Aragón, S.A. . . . .	Zaragoza	Spain		100.00%	Tooling and parts manufacturing	Full	Ernst & Young
MB Pamplona, S.A. . . . .	Navarra	Spain		100.00%	Tooling and parts manufacturing	Full	N/A
MB Abrera, S.A. . . . .	Barcelona	Spain	5.01%	94.99%	Tooling and parts manufacturing	Full	Ernst & Young
MB Levante, S.L. . . . .	Valencia	Spain	5.01%	94.99%	Tooling and parts manufacturing	Full	Ernst & Young
Gestamp Solblank Navarra, S.L. . . . .	Navarra	Spain		100.00%	Tailored blank welding	Full	Ernst & Young
MB Aragón P21, S.L. . . . .	Barcelona	Spain		100.00%	Tooling and parts manufacturing	Full	N/A
Gestamp Polska, SP. Z.O.O. . . . .	Wielkopolska	Poland		100.00%	Tooling and parts manufacturing	Full	Ernst & Young
Gestamp UK Limited . . . . .	Newcastle	United Kingdom		100.00%	Tooling and parts manufacturing	Full	Ernst & Young
Gestamp Hungaria KFT . . . . .	Akai	Hungary		100.00%	Tooling and parts manufacturing	Full	Ernst & Young
Gestamp Mör, KFT . . . . .	Akai	Hungary		100.00%	Dormant	Full	N/A
Gestamp North America, INC. . . . .	Michigan	USA		100.00%	Administrative services	Full	Ernst & Young
Gestamp Sweden, AB . . . . .	Lulea	Sweden		100.00%	Portfolio management	Full	Ernst & Young
Gestamp HardTech, AB . . . . .	Lulea	Sweden		100.00%	Tooling and parts manufacturing	Full	Ernst & Young

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Company	Address	Country	Direct shareholding	Indirect shareholding	Activity	Consolidation method	Auditors
Gestamp Mason, LLC	Michigan	USA		100.00%	Tooling and parts manufacturing	Full	Plante & Moran, LLP/E&Y
Gestamp Alabama, LLC	Alabama	USA		100.00%	Tooling and parts manufacturing	Full	Ernst & Young
Gestamp Finance Luxembourg, S.A.	Luxembourg	Luxembourg		99.95%	Portfolio management	Full	Lux-Audit
Gestamp Ronchamp, S.A.S	Ronchamp	France		100.00%	Tooling and parts manufacturing	Full	Ernst & Young
S.G.F. S.A.	Brussels	Belgium		99.95%	Portfolio management	Full	Deloitte
Gestamp Manufacturing Autochasis, S.L.	Barcelona	Spain		100.00%	Tooling and parts manufacturing	Full	Ernst & Young
Industrias Tamer, S.A.	Barcelona	Spain		30.00%	Tooling and parts manufacturing	Equity method	Ernst & Young
Gestamp Tooling Services, AIE	Vizcaya	Spain		76.00%	Engineering and mold design	Full	Ernst & Young
Gestamp Auto Components (Kunshan) Co., Ltd	Kunshan	China		68.95%	Tooling and parts manufacturing	Full	Ernst & Young
Gestamp Kartek Co, Ltd.	Gyeongsangnam-Do	South Korea		100.00%	Tooling and parts manufacturing	Full	Ernst & Young
Beyçelik, A.S.	Bursa	Turkey		50.00%	Tooling and parts manufacturing	Proportionally	Ernst & Young
Gestamp Toluca SA de CV	Puebla	Mexico		65.00%	Tooling and parts manufacturing	Full	Ernst & Young
Gestamp Servicios Laborales de Toluca SA de CV	Puebla	Mexico		65.00%	Labor services	Full	Ernst & Young
Gestamp Services India Private, Ltd.	Mumbai	India		100.00%	Tooling and parts manufacturing	Full	S.B. Dave & Co.
Gestamp Severstal Vsevolozhsk Llc	St. Petersburg	Russia		55.77%	Tooling and parts manufacturing	Full	Ernst & Young
Adral, matriceria y pta. a punto, S.L.	Vizcaya	Spain		60.00%	Adjustment	Full	Ernst & Young
Gestamp Severstal Kaluga, LLC	Kaluga	Russia		50.97%	Tooling and parts manufacturing	Full	Ernst & Young
Gestamp Automotive India Private Ltd.	Pune	India		50.00%	Tooling and parts manufacturing	Proportionally	Ernst & Young
Sungwoo Gestamp Hitech Pune Private Ltd.	Pune	India		50.00%	Tooling and parts manufacturing	Proportionally	Ernst & Young
Sungwoo Gestamp Hitech Chennai Ltd.	Chennai	India		50.00%	Tooling and parts manufacturing	Proportionally	Ernst & Young
Gestamp Chattanooga, Llc	Chattanooga	USA		100.00%	Tooling and parts manufacturing	Full	Ernst & Young
Gestamp Holding Rusia, S.L.	Madrid	Spain		74.39%	Portfolio management	Full	Ernst & Young
Gestamp Sungwoo Hitech (Chennai) Private, Ltd.	Tamil Nadu	India		50.00%	Tooling and parts manufacturing	Proportionally	Ernst & Young
ALHC, Llc.	South Carolina	USA		100.00%	Portfolio management	Full	N/A
Gestamp South Carolina, Llc	South Carolina	USA		100.00%	Tooling and parts manufacturing	Full	Ernst & Young
Gestamp Holding China, AB	Lulea	Sweden		68.95%	Portfolio management	Full	Ernst & Young
Edscha Subgroup (*)	Remscheid	Germany		100.00%	Tooling and parts manufacturing	Full	N/A
Gestamp Global Tooling, S.L.	Vizcaya	Spain	60.00%		Engineering and mold design	Full	Ernst & Young
GS Hot-Stamping Co. Ltd.	Busán	South Korea		47.49%	Tooling and parts manufacturing	Proportionally	N/A
Gestamp Tool Hardening, S.L.	Vizcaya	Spain		100.00%	Engineering and mold design	Full	Ernst & Young
Ocon Automated Systems S.L.	Barcelona	Spain		100.00%	Engineering and mold design	Full	N/A
Gestamp Vendas Novas Lda.	Évora	Portugal	100.00%		Tooling and parts manufacturing	Full	Ernst & Young
Gestamp Togliatti, Llc.	Togliatti	Russia		100.00%	Tooling and parts manufacturing	Full	N/A
Gestamp Metal Forming Subgroup	Remscheid	Germany		50.94%	Tooling and parts manufacturing	Full	Ernst & Young
Gestamp Sungwoo Stampings & Assemblies private. Ltd	LimiChennai	India		50.00%	Tooling and parts manufacturing	Proportionally	Ernst & Young
Essa Palau, S.A.	Barcelona	Spain		40.00%	Tooling and parts manufacturing	Equity method	Deloitte
Gestamp North Europe Services, S.L.	Vizcaya	Spain	99.97%	0.03%	Consultory services	Full	N/A
Loire Sociedad Anónima Franco Española	Guipúzcoa	Spain		100.00%	Manufacture and sale of machinery for cutting	Full	Ernst & Young
Bero Tools, S.L.	Guipúzcoa	Spain		92.00%	Portfolio management	Full	N/A
Diede Die Developments, S.L.	Vizcaya	Spain		79.84%	Die cutting production	Full	IZE Auditors
Gestamp Louny, S.R.O.	Prague	Czech Republic		97.64%	Tooling and parts manufacturing	Full	Ernst & Young
Gestamp Autocomponents (Shenyang), Co. Ltd.	Shenyang	China		100.00%	Tooling and parts manufacturing	Full	Ernst & Young
Gestamp West Virginia, Llc	Michigan	USA		100.00%	Tooling and parts manufacturing	Full	N/A
GMF Otomotiv Parçaları Sanayi ve Ticaret Limited Şirketi	Kocaeli	Turkey		50.00%	Tooling and parts manufacturing	Proportionally	Denetçiler Swon/KPMG
Gestamp Autocomponents (Dongguan), Co. Ltd.	Dongguan	China		94.99%	Tooling and parts manufacturing	Full	Ernst & Young
Gestión Global de Matriceria, S.L.	Vizcaya	Spain	35.00%		Dormant	Equity method	N/A
Ingeniería y Construcción Matrices, S.A.	Vizcaya	Spain		35.00%	Die cutting production	Equity method	IZE Auditors
IxCxT, S.A.	Vizcaya	Spain		35.00%	Die cutting production	Equity method	IZE Auditors

(\*) The Edscha Subgroup indirect shareholding corresponds to the Metalbages, S.A. and Gestamp Polska, SP. Z.O.O. direct shareholding in Edscha Holding GmbH, 67% and 33%, respectively.

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Company	Address	Country	Direct shareholding	Indirect shareholding	Activity	Consolidation method	Auditors
Gestamp Automoción, S.L. . . . .	Vizcaya	Spain	Parent company		Portfolio management	Full	Ernst & Young
Estampaciones Metálicas Vizcaya, S.A. . . . .	Vizcaya	Spain	75.00%	25.00%	Tooling and parts manufacturing	Full	Ernst & Young
Gestamp Vigo, S.A. . . . .	Pontevedra	Spain	99.99%	0.01%	Tooling and parts manufacturing	Full	Ernst & Young
Gestamp Cataforesis Vigo, S.L. . . . .	Pontevedra	Spain	5.01%	94.99%	Parts protection	Full	Ernst & Young
Gestamp Portugal, Lda. . . . .	Viana do Castelo	Portugal	0.01%	99.99%	Tooling and parts manufacturing	Full	Ernst & Young
Gestamp Toledo, S.L. . . . .	Toledo	Spain	99.99%	0.01%	Tooling and parts manufacturing	Full	Ernst & Young
Autotech Engineering AIE . . . . .	Vizcaya	Spain	10.00%	85.00%	Research & Development and IT	Full	Ernst & Young
SCI de Tourman en Brie . . . . .	Tournan	France	0.10%	99.90%	Real State	Full	N/A
Solblank, S.A. . . . .	Barcelona	Spain	5.01%	94.99%	Tailored blank welding	Full	Ernst & Young
Gestamp Palencia, S.A. . . . .	Palencia	Spain	100.00%		Tooling and parts manufacturing	Full	Ernst & Young
Gestamp Argentina, S.A. . . . .	Buenos Aires	Argentina	92.10%	7.90%	Portfolio management	Full	Ernst & Young
Gestamp Córdoba, S.A. . . . .	Córdoba	Argentina		100.00%	Tooling and parts manufacturing	Full	Ernst & Young
Gestamp Linares, S.A. . . . .	Jaén	Spain	5.02%	94.98%	Tooling and parts manufacturing	Full	Ernst & Young
Gestamp Servicios, S.L. . . . .	Madrid	Spain	100.00%		Administrative services	Full	Ernst & Young
Araluce, S.A. . . . .	Vizcaya	Spain		60.00%	Die cutting production	Full	Ernst & Young
Matricerías Deusto, S.L. . . . .	Vizcaya	Spain		60.00%	Die cutting production	Full	Ernst & Young
Galvanizaciones Castellana, S.A. . . . .	Palencia	Spain	5.01%	94.99%	Component galvanizing	Full	Ernst & Young
Gestamp Tech, S.L. . . . .	Palencia	Spain	0.33%	99.67%	Dormant	Full	N/A
Gestamp Paraná, S.A. . . . .	Parana	Brazil		100.00%	Tooling and parts manufacturing	Full	Ernst & Young
Metalbages, S.A. . . . .	Barcelona	Spain	100.00%		Tooling and parts manufacturing	Full	Ernst & Young
Estampaciones Martinez, S.A. . . . .	Barcelona	Spain	0.10%	99.90%	Tooling and parts manufacturing	Full	Ernst & Young
Metalbages P-51, S.L. . . . .	Barcelona	Spain	5.31%	94.69%	Tooling and parts manufacturing	Full	Ernst & Young
Gestamp Noury, S.A.S . . . . .	Tournan	France		100.00%	Tooling and parts manufacturing	Full	Ernst & Young
Gestamp Aveiro, S.A. . . . .	Aveiro	Portugal		100.00%	Tooling and parts manufacturing	Full	Ernst & Young
Távol Internacional SGPS, Lda. . . . .	Madeira	Portugal		100.00%	Dormant	Full	N/A
Griwe Subgroup . . . . .	Westerburg	Germany		94.99%	Tooling and parts manufacturing	Full	Ernst & Young
Gestamp México, S.A.de C.V. . . . .	Aguas Calientes	Mexico		65.00%	Tooling and parts manufacturing	Full	Ernst & Young
Mexicana Servicios Laborales, S.A.de C.V. . . . .	Aguas Calientes	Mexico		65.00%	Labor services	Full	Ernst & Young
Gestamp Puebla, S.A. de C.V. . . . .	Puebla	Mexico		65.00%	Tooling and parts manufacturing	Full	Ernst & Young
Gestamp Cartera de México, S.A. de C.V. . . . .	Puebla	Mexico		65.00%	Portfolio management	Full	Ernst & Young
Gestamp Mexicana de Serv. Laborales, S.A. de C.V. . . . .	Aguas Calientes	Mexico		65.00%	Labor services	Full	Ernst & Young
Gestamp Ingeniería Europa II, S.L. . . . .	Barcelona	Spain		100.00%	Portfolio management	Full	N/A
Todlem, S.L. . . . .	Barcelona	Spain		50.97%	Portfolio management	Full	Ernst & Young
Gestamp Navarra, S.A. . . . .	Navarra	Spain		100.00%	Tooling and parts manufacturing	Full	Ernst & Young
Gestamp Baires, S.A. . . . .	Buenos Aires	Argentina		100.00%	Die cutting, tooling, and parts manufacturing	Full	Ernst & Young
Ingeniería Global MB, S.A. . . . .	Barcelona	Spain		100.00%	Administrative services	Full	N/A
MB Aragón, S.A. . . . .	Zaragoza	Spain		100.00%	Tooling and parts manufacturing	Full	Ernst & Young
MB Pamplona, S.A. . . . .	Navarra	Spain		100.00%	Tooling and parts manufacturing	Full	N/A
MB Abrera, S.A. . . . .	Barcelona	Spain	5.01%	94.99%	Tooling and parts manufacturing	Full	Ernst & Young
MB Levante, S.L. . . . .	Valencia	Spain	5.01%	94.99%	Tooling and parts manufacturing	Full	Ernst & Young
Gestamp Solblank Navarra, S.L. . . . .	Navarra	Spain		100.00%	Tailored blank welding	Full	Ernst & Young
MB Aragón P21, S.L. . . . .	Barcelona	Spain		100.00%	Tooling and parts manufacturing	Full	Ernst & Young
Gestamp Polska, SP. Z.O.O. . . . .	Wielkopolska	Poland		100.00%	Tooling and parts manufacturing	Full	Ernst & Young
Gestamp UK Limited . . . . .	Newcastle	United Kingdom		100.00%	Tooling and parts manufacturing	Full	Ernst & Young
Gestamp Hungaria KFT . . . . .	Akai	Hungary		100.00%	Tooling and parts manufacturing	Full	Ernst & Young
Gestamp Mór, KFT . . . . .	Akai	Hungary		100.00%	Dormant	Full	N/A
Gestamp North America, INC. . . . .	Michigan	USA		100.00%	Administrative services	Full	Ernst & Young



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Company	Address	Country	Direct shareholding	Indirect shareholding	Activity	Consolidation method	Auditors
Gestamp Sweden, AB	Lulea	Sweden		100.00%	Portfolio management	Full	Ernst & Young
Gestamp HardTech, AB	Lulea	Sweden		100.00%	Tooling and parts manufacturing	Full	Ernst & Young
Gestamp Mason, LLC	Michigan	USA		100.00%	Tooling and parts manufacturing	Full	Plante & Moran, LLP/E&Y
Gestamp Alabama, LLC	Alabama	USA		100.00%	Tooling and parts manufacturing	Full	Ernst & Young
Gestamp Finance Luxemburgo, S.A.	Luxembourg	Luxembourg		99.95%	Portfolio management	Full	Lux-Audit
Gestamp Ronchamp, S.A.S	Ronchamp	France		100.00%	Tooling and parts manufacturing	Full	Ernst & Young
S.G.F, S.A.	Brussels	Belgium		99.95%	Portfolio management	Full	Deloitte
Gestamp Manufacturing Autochasis, S.L.	Barcelona	Spain		100.00%	Tooling and parts manufacturing	Full	Ernst & Young
Industrias Tamer, S.A.	Barcelona	Spain		30.00%	Tooling and parts manufacturing	Equity method	Ernst & Young
Gestamp Tooling Services, AIE	Vizcaya	Spain		76.00%	Engineering and mold design	Full	Ernst & Young
Gestamp Auto Components (Kunshan) Co., Ltd	Kunshan	China		68.95%	Tooling and parts manufacturing	Full	Ernst & Young
Kartek Corporation	Gyeongsangnam-Do	South Korea		100.00%	Tooling and parts manufacturing	Full	Ernst & Young
Beyçelik, A.S.	Bursa	Turkey		50.00%	Tooling and parts manufacturing	Proportionally	Ernst & Young
Gestamp Toluca SA de CV	Puebla	Mexico		65.00%	Tooling and parts manufacturing	Full	Ernst & Young
Gestamp Servicios Laborales de Toluca SA de CV	Puebla	Mexico		65.00%	Labor services	Full	Ernst & Young
Gestamp Tooling Overseas Design India, LTD.	Mumbai	India		100.00%	Tooling and parts manufacturing	Full	S.B. Dave & Co.
Continental Group Ltd.	Coventry	United Kingdom		100.00%	Dormant	Full	Ernst & Young
Gestamp Tooling Overseas Ltd.	Coventry	United Kingdom		100.00%	Dormant	Full	Ernst & Young
Gestamp Stadco Holdings, S.L.	Madrid	Spain		50.97%	Portfolio management	Full	Ernst & Young
Gestamp Severstal Vsevolozhsk Llc	St. Petersburg	Russia		50.97%	Tooling and parts manufacturing	Full	Ernst & Young
Adral, matriceria y pta. a punto, S.L.	Vizcaya	Spain		60.00%	Adjustment	Full	Ernst & Young
Gestamp Severstal Kaluga, LLC	Kaluga	Russia		50.97%	Tooling and parts manufacturing	Full	Ernst & Young
Gestamp Automotive India Private Ltd.	Pune	India		50.00%	Tooling and parts manufacturing	Proportionally	Ernst & Young
Sungwoo Gestamp Hitech Pune Private Ltd.	Pune	India		50.00%	Tooling and parts manufacturing	Proportionally	Ernst & Young
Sungwoo Gestamp Hitech Chennai Ltd.	Chennai	India		50.00%	Tooling and parts manufacturing	Proportionally	Ernst & Young
Gestamp Chattanooga, Llc	Chattanooga	USA		100.00%	Tooling and parts manufacturing	Full	Ernst & Young
Gestamp Holding Rusia, S.L.	Madrid	Spain		67.99%	Portfolio management	Full	Ernst & Young
Gestamp Sungwoo Hitech (Chennai) Private, Ltd.	Tamil Nadu	India		50.00%	Tooling and parts manufacturing	Proportionally	Ernst & Young
ALHC, Llc.	South Carolina	USA		100.00%	Portfolio management	Full	N/A
Gestamp South Carolina, Llc	South Carolina	USA		100.00%	Tooling and parts manufacturing	Full	Ernst & Young
Gestamp Holding China, AB	Lulea	Sweden		68.95%	Portfolio management	Full	Ernst & Young
Edscha Subgroup (*)	Remscheid	Germany		100.00%	Tooling and parts manufacturing	Full	N/A
Gestamp Global Tooling, S.L.	Vizcaya	Spain	60.00%		Engineering and mold design	Full	Ernst & Young
GS Hot-Stamping Co. Ltd.	Busan	South Korea		47.49%	Tooling and parts manufacturing	Proportionally	N/A
Gestamp Tool Hardening, S.L.	Vizcaya	Spain		100.00%	Engineering and mold design	Full	Ernst & Young
Ocon Automated Systems S.L.	Barcelona	Spain		100.00%	Engineering and mold design	Full	N/A
Gestamp Vendas Novas Lda.	Évora	Portugal	100.00%		Tooling and parts manufacturing	Full	Ernst & Young
Gestamp Togliatti, Llc.	Togliatti	Russia		100.00%	Dormant	Full	N/A
Gestamp Metal Forming Subgroup	Remscheid	Germany		50.94%	Tooling and parts manufacturing	Full	Ernst & Young
Gestamp Sungwoo Stampings & Assemblies private, Ltd	Chennai	India		50.00%	Tooling and parts manufacturing	Proportionally	Ernst & Young
Essa Palau, S.A.	Barcelona	Spain		40.00%	Tooling and parts manufacturing	Equity method	Deloitte
Gestamp North Europe Services, S.L.	Vizcaya	Spain	99.97%	0.03%	Consultory services	Full	N/A
Loire Sociedad Anónima Franco Española	Guipúzcoa	Spain		100.00%	Manufacture and sale of machinery for cutting	Full	Ernst & Young
Bero Tools, S.L.	Guipúzcoa	Spain		80.00%	Portfolio management	Full	N/A
Diede Die Developments, S.L.	Vizcaya	Spain		49.60%	Die cutting production	Full	IZE Auditors
Gestamp Louny, S.R.O.	Prague	Czech Republic		100.00%	Tooling and parts manufacturing	Full	N/A

(\*) The Edscha Subgroup indirect shareholding corresponds to the Metalbages, S.A. and Gestamp Polska, SP. Z.O.O. direct shareholding in Edscha Holding GmbH, 67% and 33%, respectively.



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	Address	Country	Direct shareholding	Indirect shareholding	Activity	Consolidation method	Auditors
Gestamp Automoción, S.L.	Vizcaya	Spain	Parent company		Portfolio management	Full	Ernst & Young
Estampaciones Metálicas Vizcaya, S.A.	Vizcaya	Spain	75.00%	25.00%	Tooling and parts manufacturing	Full	Ernst & Young
Gestamp Vigo, S.A.	Pontevedra	Spain	99.99%	0.01%	Tooling and parts manufacturing	Full	Ernst & Young
Gestamp Cataforesis Vigo, S.A.	Pontevedra	Spain	5.01%	94.99%	Parts protection	Full	Ernst & Young
Gestamp Portugal, Ltda.	Viana do Castelo	Portugal	0.01%	99.99%	Tooling and parts manufacturing	Full	Ernst & Young
Gestamp Toledo, S.L.	Toledo	Spain	99.99%	0.01%	Tooling and parts manufacturing	Full	Ernst & Young
Autotech Engineering AIE	Vizcaya	Spain	10.00%	85.00%	Research & Development and IT	Full	Ernst & Young
SCI de Tourman en Brie	Tournan	France	0.10%	99.90%	Real State	Full	N/A
Solblank, S.A.	Barcelona	Spain	5.01%	94.99%	Tailored blank welding	Full	Ernst & Young
Gestamp Palencia, S.A.	Palencia	Spain	100.00%		Tooling and parts manufacturing	Full	Ernst & Young
Gestamp Argentina, S.A.	Buenos Aires	Argentina	92.10%	7.90%	Portfolio management	Full	Ernst & Young
Gestamp Córdoba, S.A.	Córdoba	Argentina		100.00%	Tooling and parts manufacturing	Full	Ernst & Young
Gestamp Linares, S.L.	Jaén	Spain	5.02%	94.98%	Tooling and parts manufacturing	Full	Ernst & Young
Gestamp Servicios, S.L.	Madrid	Spain	100.00%		Administrative services	Full	Ernst & Young
Araluce, S.A.	Vizcaya	Spain		60.00%	Die cutting production	Full	Ernst & Young
Matricerías Deusto, S.L.	Vizcaya	Spain		60.00%	Die cutting production	Full	Ernst & Young
Galvanizaciones Castellana, S.A.	Palencia	Spain	5.01%	94.99%	Component galvanizing	Full	Ernst & Young
Gestamp Tech, S.L.	Palencia	Spain	0.33%	99.67%	Dormant	Full	N/A
Gestamp Paraná, S.A.	Parana	Brazil		100.00%	Tooling and parts manufacturing	Full	Ernst & Young
Metalbages, S.A.	Barcelona	Spain	100.00%		Tooling and parts manufacturing	Full	Ernst & Young
Estampaciones Martinez, S.A.	Barcelona	Spain	0.10%	99.90%	Tooling and parts manufacturing	Full	Ernst & Young
Metalbages P-51, S.L.	Barcelona	Spain	5.31%	94.69%	Tooling and parts manufacturing	Full	Ernst & Young
Gestamp Noury, S.A.S	Tournan	France		100.00%	Tooling and parts manufacturing	Full	Ernst & Young
Gestamp Aveiro, S.A.	Aveiro	Portugal		100.00%	Tooling and parts manufacturing	Full	Ernst & Young
Tavol Internacional S.A.	Madeira	Portugal		100.00%	Dormant	Full	N/A
Griwe Subgroup	Westerburg	Germany		94.99%	Tooling and parts manufacturing	Full	Ernst & Young
Gestamp México, S.A.de C.V.	Aguas Calientes	Mexico		65.00%	Tooling and parts manufacturing	Full	Ernst & Young
Mexicana Servicios Laborales, S.A.de C.V.	Aguas Calientes	Mexico		65.00%	Labor services	Full	Ernst & Young
Gestamp Puebla, S.A. de C.V.	Puebla	Mexico		65.00%	Tooling and parts manufacturing	Full	Ernst & Young
Gestamp Cartera de México, S.A. de C.V.	Puebla	Mexico		65.00%	Portfolio management	Full	Ernst & Young

**GESTAMP AUTOMOCIÓN, S.A. AND SUBSIDIARIES**  
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Company	Address	Country	December 31, 2010		Activity	Consolidation method	Auditors
			Direct shareholding	Indirect shareholding			
Gestamp Mexicana de Serv. Laborales, S.A. de C.V. . . . .	Aguas Calientes	Mexico		65.00%	Labor services	Full	Ernst & Young
Gestamp Ingeniería Europa II, S.L. . . . .	Barcelona	Spain		100.00%	Portfolio management	Full	N/A
Todlem, S.L. . . . .	Barcelona	Spain		49.39%	Portfolio management	Full	Ernst & Young
MB Hidroacero, S.A. . . . .	Navarra	Spain		100.00%	Tooling and parts manufacturing	Full	Ernst & Young
Gestamp Baires, S.A. . . . .	Buenos Aires	Argentina		100.00%	Die cutting, tooling, and parts manufacturing	Full	Ernst & Young
Ingeniería Global MB, S.A. . . . .	Barcelona	Spain		100.00%	Administrative services	Full	N/A
MB Aragón, S.A. . . . .	Zaragoza	Spain		100.00%	Tooling and parts manufacturing	Full	Ernst & Young
MB Pamplona, S.A. . . . .	Navarra	Spain		100.00%	Tooling and parts manufacturing	Full	N/A
MB Abrera, S.A. . . . .	Barcelona	Spain	5.01%	94.99%	Tooling and parts manufacturing	Full	Ernst & Young
MB Levante, S.L. . . . .	Valencia	Spain	5.01%	94.99%	Tooling and parts manufacturing	Full	Ernst & Young
MB Navarra, S.A. . . . .	Navarra	Spain		100.00%	Tooling and parts manufacturing	Full	Ernst & Young
MB Solblank Navarra, S.L. . . . .	Navarra	Spain		100.00%	Tailored blank welding	Full	Ernst & Young
MB Aragón P21, S.L. . . . .	Barcelona	Spain		100.00%	Tooling and parts manufacturing	Full	N/A
Gestamp Polska, SP. Z.O.O. . . . .	Wielkopolska	Poland		100.00%	Tooling and parts manufacturing	Full	Ernst & Young
Gestamp UK Limited . . . . .	Newcastle	United Kingdom		100.00%	Tooling and parts manufacturing	Full	Ernst & Young
Gestamp Hungaria KFT . . . . .	Akai	Hungary		100.00%	Tooling and parts manufacturing	Full	Ernst & Young
Gestamp Mór, KFT . . . . .	Akai	Hungary		100.00%	Dormant	Full	N/A
Gestamp North America, INC. . . . .	Michigan	USA		100.00%	Administrative services	Full	Ernst & Young
Gestamp Sweden, AB . . . . .	Lulea	Sweden		100.00%	Portfolio management	Full	Ernst & Young
Gestamp HardTech, AB . . . . .	Lulea	Sweden		100.00%	Tooling and parts manufacturing	Full	Ernst & Young
Gestamp Mason, LLC. . . . .	Michigan	USA		100.00%	Tooling and parts manufacturing	Full	Plante & Moran, LLP/E&Y
Gestamp Alabama, INC. . . . .	Alabama	USA		100.00%	Tooling and parts manufacturing	Full	Ernst & Young
Gestamp Serviços Administrativos de Brasil, S.A. . . . .	Sao Jose Dos Pinnais	Brazil		100.00%	Administrative services	Full	N/A
Gestamp Finance Luxemburgo, S.A. . . . .	Luxembourg	Luxembourg		99.95%	Portfolio management	Full	Lux-Audit
SCI Rue Paul Strauss . . . . .	Ronchamp	France		100.00%	Real State	Full	N/A
Gestamp Ronchamp, S.A.S . . . . .	Ronchamp	France		100.00%	Tooling and parts manufacturing	Full	Ernst & Young
S.G.F. S.A. . . . .	Brussels	Belgium		99.95%	Portfolio management	Full	Deloitte
Gestamp Manufacturing Autochasis, S.L. . . . .	Barcelona	Spain		100.00%	Tooling and parts manufacturing	Full	Ernst & Young
Industrias Tamer, S.A. . . . .	Barcelona	Spain		30.00%	Tooling and parts manufacturing	Equity method	Ernst & Young
Gestamp Tooling Services, AIE . . . . .	Vizcaya	Spain		76.00%	Engineering and mold design	Full	Ernst & Young
Gestamp Auto Components (Kunshan) Co., Ltd . . . . .	Kunshan	China		68.95%	Tooling and parts manufacturing	Full	Ernst & Young

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December 31, 2010

Company	Address	Country	Direct shareholding	Indirect shareholding	Activity	Consolidation method	Auditors
Kartek Corporation	Gyeongsangnam-Do	South Korea		100.00%	Tooling and parts manufacturing	Full	Ernst & Young
Beyçelik, A.S.	Bursa	Turkey		50.00%	Tooling and parts manufacturing	Proportionally	Ernst & Young
Gestamp Toluca SA de CV	Puebla	Mexico		65.00%	Tooling and parts manufacturing	Full	Ernst & Young
Gestamp Servicios Laborales de Toluca SA de CV	Puebla	Mexico		65.00%	Labor services	Full	Ernst & Young
Gestamp Tooling Overseas Design India, LTD.	Mumbai	India		100.00%	Tooling and parts manufacturing	Full	S.B. Dave & Co.
Continental Group Ltd.	Coventry	United Kingdom		100.00%	Tooling and parts manufacturing	Full	Ernst & Young
Gestamp Tooling Overseas Ltd.	Coventry	United Kingdom		100.00%	Tooling and parts manufacturing	Full	Ernst & Young
Gestamp Stadco Holdings, S.L.	Madrid	Spain		49.39%	Portfolio management	Full	N/A
Gestamp Severstal Vsevolozhsk Llc	St. Petersburg	Russia		49.39%	Tooling and parts manufacturing	Full	Ernst & Young
Adral, matriceria y pta. a punto, S.L.	Vizcaya	Spain		60.00%	Adjustment	Full	Ernst & Young
Gestamp Severstal Kaluga, LLC	Kaluga	Russia		52.44%	Tooling and parts manufacturing	Full	Ernst & Young
Gestamp Automotive India Private Ltd.	Pune	India		50.00%	Tooling and parts manufacturing	Proportionally	Ernst & Young
Sungwoo Gestamp Hitech Pune Private Ltd.	Pune	India		50.00%	Tooling and parts manufacturing	Proportionally	Ernst & Young
Sungwoo Gestamp Hitech Chennai Ltd.	Chennai	India		50.00%	Tooling and parts manufacturing	Proportionally	Ernst & Young
Gestam Chattanooga, LLC	Chattanooga	USA		100.00%	Tooling and parts manufacturing	Full	Ernst & Young
Gestamp Holding Rusia, S.L.	Madrid	Spain		64.63%	Portfolio management	Full	N/A
Gestamp Sungwoo Automotive (Chennai) Private, Ltd.	Tamil Nadu	India		50.00%	Tooling and parts manufacturing	Proportionally	Ernst & Young
ALHC, LLC.	South Carolina	USA		40.00%	Portfolio management	Equity method	N/A
Gestamp South Carolina, LLC	South Carolina	USA		40.00%	Tooling and parts manufacturing	Equity method	Ernst & Young
Gestamp Holding China, AB	Lulea	Sweden		68.95%	Portfolio management	Full	N/A
Gestamp Tavor España, S.L.	Zaragoza	Spain		100.00%	Tooling and parts manufacturing	Full	N/A
Edscha Subgroup (*)	Remscheid	Germany		100.00%	Tooling and parts manufacturing	Full	N/A
Gestamp Global Tooling, S.L.	Vizcaya	Spain	60.00%		Engineering and mold design	Full	Ernst & Young
GS Hot-Stamping Co. Ltd.	Busan	South Korea		56.99%	Tooling and parts manufacturing	Full	N/A
Gestamp Tool Hardening, S.L.	Vizcaya	Spain		100.00%	Engineering and mold design	Full	Ernst & Young

(\*) The Edscha Subgroup indirect shareholding corresponds to the Metalbages, S.A. and Gestamp Polska, SP. Z.O.O. direct shareholding in Edscha Holding GmbH, 67% and 33%, respectively.

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The companies which compose the Griwe Subgroup at December 31, 2012, 2011 and 2010 are the following:

<u>Company</u>	<u>Address</u>	<u>Country</u>	<u>Shareholding</u>	<u>Consolidation method</u>
<b>GRIWE Innovative</b>				
Umforttechnik GmbH . . . . .	Westerburg	Germany	Parent company	Full
GRIWE Werkzeug Produktions GmbH . .	Haynrode	Germany	100,00%	Full
GRIWE System Produktions GmbH . . .	Haynrode	Germany	100,00%	Full

The activity of these companies relates mainly to manufacturing automobile parts and components.

The companies which compose the Edscha Subgroup at December 31, 2012, 2011 and 2010, and the information about the consolidation method used, address and shareholding percentage (direct and indirect), are the following:

<b>December 31, 2012</b>						
<u>Company</u>	<u>Address</u>	<u>Country</u>	<u>Direct shareholding</u>	<u>Indirect shareholding</u>	<u>% Direct shareholding Gestamp Automoción</u>	<u>Consolidation method</u>
Edscha Holding GmbH . . . . .	Remscheid	Germany	Parent company			Full
Edscha Automotive Hengersberg GmbH .	Hengersberg	Germany	100.00%			Full
Edscha Automotive Hauzenberg GmbH . .	Hauzenberg	Germany	100.00%			Full
Edscha Engineering GmbH . . . . .	Remscheid	Germany	100.00%			Full
Edscha Hengersberg Real Estate GmbH .	Hengersberg	Germany	94.90%		5.10%	Full
Edscha Hauzenberg Real Estate GmbH . .	Hauzenberg	Germany	94.90%		5.10%	Full
Edscha Automotive Kamenice S.R.O. . . .	Kamenice	Czech Republic	100.00%			Full
Edscha Hradec S.R.O. . . . .	Hradec	Czech Republic	100.00%			Full
Edscha Velky Meder S.R.O. . . . .	Velky Meder	Slovakia	100.00%			Full
Edscha España Holding, S.L. . . . .	Villalonquejar (Burgos)	Spain	59.99%	0.01%		Full
Edscha Burgos, S.L. . . . .	Villalonquejar (Burgos)	Spain	0.01%	59.99%		Full
Edscha Santander, S.L. . . . .	El Astillero (Cantabria)	Spain		56.98%	5.03%	Full
Edscha Briey S.A.S. . . . .	Briey Cedex	France		56.98%		Full
Edscha France Engineering S.A.S. . . . .	Les Ulis	France	100.00%			Full
Edscha Do Brasil, Ltda. . . . .	Sorocaba	Brazil		56.98%		Full
Edshca Japan Co Ltda. . . . .	Yokohama	Japan	100.00%			Full
Jui Li Edscha Body Systems Co Ltda. . . .	Kaohsiung	Taiwan	50.00%			Proportionally
Jui Li Edscha Holding Co. Ltda. . . . .	Apia	Samoa		50.00%		Proportionally
Jui Li Edscha Hainan Industry Enterprise Co Ltda. . . . .	Hainan	China		50.00%		Proportionally
Edscha Automotive Technology Co Ltda .	Shangai	China	100.00%			Full
Shanghai Edscha Machinery Co Ltda. . .	Shangai	China	50.00%			Proportionally
Anhui Edscha Automotive Parts Co Ltda.	Anhui	China	70.00%			Full
Edscha Michigan, Inc . . . . .	Lapeer	USA	100.00%			Full
Edscha Togliatti, Llc. . . . .	Togliatti	Russia	100.00%			Full
Edscha Automotive Components Co., Ltda. . . . .	Kunshan	China	100.00%			Full
Gestamp Finance Slovakia S.R.O. . . . .	Velky Meder	Slovakia	75.00%		25.00%	Full
Edscha Kunststofftechnik GmbH . . . . .	Remscheid	Germany	100.00%			Full

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December 31, 2011						
Company	Address	Country	Direct shareholding	Indirect shareholding	% Direct shareholding Gestamp Automoción	Consolidation method
Edscha Holding GmbH . . . . .	Remscheid	Germany	Parent company			Full
Edscha Automotive Hengersberg GmbH .	Hengersberg	Germany	100.00%			Full
Edscha Automotive Hauzenberg GmbH . .	Hauzenberg	Germany	100.00%			Full
Edscha Engineering GmbH . . . . .	Remscheid	Germany	100.00%			Full
Edscha Hengersberg Real Estate GmbH .	Hengersberg	Germany	94.90%		5.10%	Full
Edscha Hauzenberg Real Estate GmbH . .	Hauzenberg	Germany	94.90%		5.10%	Full
Edscha Automotive Kamenice S.R.O. . . .	Kamenice	Czech Republic	100.00%			Full
Edscha Hradec S.R.O. . . . .	Hradec	Czech Republic	100.00%			Full
Edscha Velky Meder S.R.O. . . . .	Velky Meder	Slovakia	100.00%			Full
Edscha España Holding, S.L. . . . .	Villalonguéjar (Burgos)	Spain	59.99%	0.01%		Full
Edscha Burgos, S.L. . . . .	Villalonguéjar (Burgos)	Spain	0.01%	59.99%		Full
Edscha Santander, S.L. . . . .	El Astillero (Cantabria)	Spain		56.98%	5.03%	Full
Edscha Briey S.A.S. . . . .	Briey Cedex	France		56.98%		Full
Edscha France Engineering S.A.S. . . . .	Les Ulis	France	100.00%			Full
Edscha Do Brasil, Ltda. . . . .	Sorocaba	Brazil		56.98%		Full
Edscha Japan Co Ltda. . . . .	Yokohama	Japan	100.00%			Full
Jui Li Edscha Body Systems Co Ltda. . . .	Kaohsiung	Taiwan	50.00%			Proportionally
Jui Li Edscha Holding Co. Ltda. . . . .	Apia	Samoa		50.00%		Proportionally
Jui Li Edscha Hainan Industry Enterprise Co Ltda. . . . .	Hainan	China		50.00%		Proportionally
Edscha Automotive Technology Co Ltda .	Shangai	China	100.00%			Full
Shanghai Edscha Machinery Co Ltda. . .	Shangai	China	50.00%			Proportionally
Anhui Edscha Automotive Parts Co Ltda.	Anhui	China	70.00%			Full
Edscha Michigan, Inc . . . . .	Lapeer	USA	100.00%			Full
Edscha Togliatti, Llc. . . . .	Togliatti	Russia	100.00%			Full

December 31, 2010						
Company	Address	Country	Direct shareholding	Indirect shareholding	% Direct shareholding Gestamp Automoción	Consolidation method
Edscha Holding GmbH . . . . .	Remscheid	Germany	Parent company			Full
Edscha Automotive Hengersberg GmbH .	Hengersberg	Germany	100.00%			Full
Edscha Automotive Hauzenberg GmbH . .	Hauzenberg	Germany	100.00%			Full
Edscha Engineering GmbH . . . . .	Remscheid	Germany	100.00%			Full
Edscha Hengersberg Real Estate GmbH .	Hengersberg	Germany	94.90%		5.10%	Full
Edscha Hauzenberg Real Estate GmbH . .	Hauzenberg	Germany	94.90%		5.10%	Full
Edscha Automotive Kamenice S.R.O. . . .	Kamenice	Czech Republic	100.00%			Full
Edscha Hradec S.R.O. . . . .	Hradec	Czech Republic	100.00%			Full
Edscha Velky Meder S.R.O. . . . .	Velky Meder	Slovakia	100.00%			Full
Edscha España Holding, S.L. . . . .	Villalonguéjar (Burgos)	Spain	59.99%	0.01%		Full
Edscha Burgos, S.L. . . . .	Villalonguéjar (Burgos)	Spain	0.03%	59.98%		Full
Edscha Santander, S.L. . . . .	El Astillero (Cantabria)	Spain		56.98%	5.03%	Full
Edscha Briey S.A.S. . . . .	Briey Cedex	France		56.97%		Full
Edscha France Engineering S.A.S. . . . .	Les Ulis	France	100.00%			Full
Edscha Do Brasil, Ltda. . . . .	Sorocaba	Brazil		56.97%		Full
Edscha Japan Co Ltda. . . . .	Yokohama	Japan	100.00%			Full
Jui Li Edscha Body Systems Co Ltda. . . .	Kaohsiung	Taiwan	50.00%			Proportionally
Jui Li Edscha Holding Co. Ltda. . . . .	Apia	Samoa		50.00%		Proportionally
Jui Li Edscha Hainan Industry Enterprise Co Ltda. . . . .	Hainan	China		50.00%		Proportionally
Edscha Automotive Technology Co Ltda .	Shangai	China	100.00%			Full
Shanghai Edscha Machinery Co Ltda. . .	Shangai	China	50.00%			Proportionally
Anhui Edscha Automotive Parts Co Ltda.	Anhui	China	70.00%			Full
Edscha Portugal, S.L. . . . .	Vendas Novas	Portugal	100.00%			Full

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The subsidiary Edscha Portugal, S.L. was renamed as Gestamp Vendas Novas, Lda. In addition, this company no longer forms part of the Edscha Subgroup at December 31, 2011 given that the Company now directly owns its capital stock.

The companies which hold the indirect shareholding indicated in the above table at December 31, 2012, 2011 and 2010 are the following:

<u>Company</u>	<b>December 31, 2012</b>	
	<u>Company holding the indirect investment</u>	<u>% investment</u>
Edscha España Holding, S.L. ....	Edscha Engineering GmbH	0.01%
Edscha Burgos, S.L. ....	Edscha España Holding, S.L.	99.99%
Edscha Santander, S.L. ....	Edscha España Holding, S.L.	94.97%
Edscha Briey S.A.S. ....	Edscha Santander, S.L.	100.00%
Edscha Do Brasil, Ltda. ....	Edscha Santander, S.L.	99.99%
Edscha Do Brasil, Ltda. ....	Edscha Engineering GmbH	0.01%
Jui Li Edscha Holding Co. Ltda. ....	Jui Li Edscha Body Systems Co Ltda.	100.00%
Jui Li Edscha Hainan Industry Enterprise Co Ltda. ..	Jui Li Edscha Holding Co. Ltda.	100.00%

<u>Company</u>	<b>December 31, 2011</b>	
	<u>Company holding the indirect investment</u>	<u>% investment</u>
Edscha España Holding, S.L. ....	Edscha Engineering GmbH	0.01%
Edscha Burgos, S.L. ....	Edscha España Holding, S.L.	99.99%
Edscha Santander, S.L. ....	Edscha España Holding, S.L.	94.97%
Edscha Briey S.A.S. ....	Edscha Santander, S.L.	100.00%
Edscha Do Brasil, Ltda. ....	Edscha Santander, S.L.	99.99%
Edscha Do Brasil, Ltda. ....	Edscha Engineering GmbH	0.01%
Jui Li Edscha Holding Co. Ltda. ....	Jui Li Edscha Body Systems Co Ltda.	100.00%
Jui Li Edscha Hainan Industry Enterprise Co Ltda. ..	Jui Li Edscha Holding Co. Ltda.	100.00%

<u>Company</u>	<b>December 31, 2010</b>	
	<u>Company holding the indirect investment</u>	<u>% investment</u>
Edscha España Holding, S.L. ....	Edscha Engineering GmbH	0.01%
Edscha Burgos, S.L. ....	Edscha España Holding, S.L.	99.97%
Edscha Santander, S.L. ....	Edscha España Holding, S.L.	94.99%
Edscha Briey S.A.S. ....	Edscha Santander, S.L.	100.00%
Edscha Do Brasil, Ltda. ....	Edscha Santander, S.L.	100.00%
Jui Li Edscha Holding Co. Ltda. ....	Jui Li Edscha Body Systems Co Ltda.	100.00%
Jui Li Edscha Hainan Industry Enterprise Co Ltda. ..	Jui Li Edscha Holding Co. Ltda.	100.00%

These companies primary activity is the manufacturing of automotive components.

The companies which compose the Gestamp Metal Forming Subgroup at December 31, 2012 and 2011, and the information about the consolidation method used, address and shareholding percentage (direct and indirect), are the following:

<u>Company</u>	<b>December 31, 2012</b>				
	<u>Address</u>	<u>Country</u>	<u>Direct shareholding</u>	<u>Indirect shareholding</u>	<u>Consolidation method</u>
GMF Holding GmbH .....	Remscheid	Germany	Parent company		Full
GMF Wuhan, Ltd .....	Wuhan	China	100.00%		Full
GMF Umformtechnik GmbH .....	Ludwigsfelde	Germany	100.00%		Full
Automotive Chassis Products Plc. ....	Newton Aycliffe, Durham	United Kingdom	100.00%		Full
Sofedit, S.A.S. ....	Le Theil sur Huisne	France	65.00%		Full
Prisma, S.A.S. ....	Usine de Messempré	France	100.00%		Full
Tallent Automotive, Ltd .....	Newton Aycliffe, Durham	United Kingdom		100.00%	Full
Sofedit España, S.A. ....	Valladolid	Spain		65.00%	Full
Sofedit Polska Sp.z.o.o. ....	Wroclaw	Poland		65.00%	Full

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In addition, the company GMF Otomotiv Parçaları Sanayi ve Ticaret Limited Sirketi was included in the consolidation scope of Gestamp Automoción (acquired by the group company Beyçelik, A.S.) from the consolidation scope of Gestamp Metal Forming Subgroup (Note 4).

Company	December 31, 2011				
	Address	Country	Direct shareholding	Indirect shareholding	Consolidation method
GMF Holding GmbH	Remscheid	Germany	Parent company		Full
GMF Wuhan, Ltd	Wuhan	China	100.00%		Full
GMF Umformtechnik GmbH	Ludwigsfelde	Germany	100.00%		Full
Automotive Chassis Products Plc	Newton Aycliffe, Durham	United Kingdom	100.00%		Full
Sofedit, S.A.S	Le Theil sur Huisne	France	65.00%		Full
Prisma, S.A.S	Usine de Messempré	France	100.00%		Full
Tallent Automotive, Ltd	Newton Aycliffe, Durham	United Kingdom		100.00%	Full
Sofedit España, S.A.	Valladolid	Spain		65.00%	Full
Sofedit Polska Sp.z.o.o.	Wrocław	Poland		65.00%	Full
GMF Otomotiv Parçaları Sanayi ve Ticaret Limited Sirketi	Kocaeli	Turkey		100.00%	Full

The companies which hold the indirect shareholding indicated in the above table at December 31, 2012 and 2011 are the following:

Company	December 31, 2012	
	Company holding the indirect investment	% investment
Tallent Automotive, Ltd.	Automotive Chassis Products, Plc	100.00%
Sofedit España, S.A.	Sofedit, S.A.S	100.00%
Sofedit Polska Sp.z.o.o	Sofedit, S.A.S	100.00%

Company	December 31, 2011	
	Company holding the indirect investment	% investment
Tallent Automotive, Ltd.	Automotive Chassis Products, Plc	100.00%
Sofedit España, S.A.	Sofedit, S.A.S	100.00%
Sofedit Polska Sp.z.o.o	Sofedit, S.A.S	100.00%
GMF Otomotiv Parçaları Sanayi ve Ticaret Limited Sirketi	Tallent Automotive, Ltd.	100.00%

These companies' primary activity is the manufacturing of automotive components.

The closing of the financial year for the companies included in the consolidation scope at December 31, 2012 is December 31, with the exception of the subsidiaries Gestamp Services India Private, Ltd., Gestamp Automotive India Private, Ltd., Sungwoo Gestamp Hitech Pune Private, Ltd., Sungwoo Gestamp Hitech Chennai Ltd., Gestamp Sungwoo Hitech (Chennai) Private Ltd. and Gestamp Sungwoo Stampings & Assemblies Private Ltd., whose fiscal years close on March 31. However, an interim closing as at December, 31 was prepared for the purpose of including these companies in the Consolidated Financial Statements.

No significant subsidiaries have been excluded from the consolidation scope.

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