



REPORT ISSUED BY THE BOARD OF DIRECTORS OF GESTAMP AUTOMOCIÓN, S.A. ON THE ITEM FOURTEEN OF THE AGENDA OF THE 2021 ORDINARY GENERAL SHAREHOLDERS' MEETING.

1. PURPOSE OF THIS REPORT

As established in article 319 of Royal Decree 1784/1996, of July 19, which approves the Regulations of the Companies Registry, the general meeting may delegate to the board of directors the power to issue notes. In addition, article 511 of article 417 of the Capital Companies Law approved by Royal Legislative Decree 1/2010, of July 2 ("LSC"), states that, when the general meeting delegates to the administrators the power to issue convertible notes, it may also grant them the power to exclude the pre-emptive subscription right in relation to the issues of convertible notes that are delegated when the interest of the company so requires, although, for such purposes, said exclusion proposal must be expressly stated in the call for the General Meeting and a report of the administrators in which the proposal is justified will be made available to the shareholders.

On another hand, letter b) of section 1 of article 297 LSC establishes that the general shareholders' meeting, with the requirements established for the modification of the bylaws, may delegate to the administrators the power to agree on one or more times the increase in capital stock up to a determined amount at the opportunity and in the amount that they decide, without prior consultation with the general shareholders' meeting. Such capital increases may in no case exceed half the capital of the company at the time of authorization and must be made through monetary contributions within a maximum period of five years from the agreement of the meeting.

Finally, article 286.1 LSC requires, for the valid adoption of the agreement to modify the bylaws, among other requirements, the issuance by the directors of a report with the justification thereof, which, together with the full text of the proposed amendment, must be made available to the shareholders, thus stating it in the corresponding announcement of the call.

The purpose of this report is, consequently, to comply with the provisions of the aforementioned provisions of the LSC in relation to the agreement referred to in the fourteen item of the agenda that is submitted to the approval of the Ordinary General Shareholders' Meeting of Gestamp Automoción, S.A. (the "**Company**") convened for May 6, 2021 in first call and the following day, at the same time, in second call.



2. JUSTIFICATION OF THE PROPOSAL

The Board of Directors considers it highly advisable to have the delegated powers allowed by the legislation in force to be in a position at all times to attract on the primary securities markets the funds that are necessary for adequate management of the corporate interests.

The purpose of the delegation lies in providing the Company's management body with the capacity for response which is required by its competitive environment in which the success of a strategic initiative or of a financial transaction or the possibility of attracting financial resources often depends on the capacity to undertake it quickly, without the delays and costs which are inevitably involved in calling and holding a Shareholders' Meeting. Thus, the Company's Board of Directors will be empowered, if necessary, to attract the necessary volume of resources in a short period of time.

The issue of securities convertible into for shares constitutes one of the instruments for financing companies by attracting external resources. These securities provide, on the one hand, the advantage of offering investors the possibility of transforming their claims against the Company into shares, obtaining a higher potential return than that offered by other debt instruments and, on the other hand, they can allow the Company to increase its own resources. These characteristics lead to the coupon of convertible securities being usually lower than the cost of nonconvertible fixed-income securities and than that of banking debt, since the value of the option to convert them into the Company's shares which they confer on investors is reflected in the interest rate of the notes.

With such purpose, pursuant to the provisions of the legislation in force, the proposal of a resolution which is drawn up in the agenda is submitted for the consideration of the Shareholders' Meeting.

The proposal specifically confers on the Board of Directors the power to issue on one or more occasions convertible securities (including notes) and warrants which confer the right to subscribe newly-issued shares of the Company or to acquire shares in circulation of the Company and to adopt a resolution, where appropriate, for the necessary increase of share capital in order to meet the conversion or the exercise of the subscription option, provided that this increase does not exceed the unused limit authorized at any given time by the Shareholders' Meeting pursuant to the provisions of article 297.1.b) LSC.

The proposed resolution establishes in FIVE HUNDRED MILLION EUROS (€500,000,000) (or its equivalent in another currency) the maximum amount for the issue of which authorization is requested, this is, this is, half of the limit established under the authorizations approved on March 3, 2017. For the purposes of calculating the above-mentioned limit, in the case of warrants, the sum of premiums and exercise prices of the warrants of the issues which may be resolved pursuant to this authorization shall be taken into account.

The proposed resolution which is submitted for the approval of the Shareholders' Meeting also establishes the criteria for determining the rules and forms of the conversion, although



it entrusts to the Board of Directors, if the latter resolves to use the authorization granted, the specification of some of such rules and forms for each issue within the limits and in accordance with the criteria established by the Shareholders' Meeting. Thus, it will be the Board of Directors which determines the specific conversion ratio, and for such purpose shall issue, at the time of approving an issue of convertible securities delegated pursuant to the authorization granted by the Shareholders' Meeting, a report describing the specific rules and forms of the conversion applicable to the aforementioned issue, which will also be the subject of the relevant report of the auditors referred to in articles 414 and 511 LSC.

To be specific, the proposed resolution which is submitted for the approval of the Shareholders' Meeting envisages that the securities which are issued thereunder will be valued at their par value (the interest accrued and pending payment may be included) and the shares at the fixed (determined or determinable) or variable rate which is determined in the relevant resolution of the Board of Directors.

Thus, the Board of Directors considers that it is granted a sufficient margin for flexibility to set the value of the shares for the purposes of the conversion according to the market conditions and all other considerations applicable.

In the case of the warrants on newly-issued shares, the rules regarding convertible notes indicated in the proposal will be applicable, insofar as they are compatible with their nature.

In addition, as shown by article 415.2 LSC, the resolution delegating to the Board of Directors the power to issue convertible securities provides, for the purposes of the conversion thereof, that the par value of the notes is not lower than the par value of the shares. Nor may convertible notes be issued for a figure lower than their par value.

It is also envisaged that the securities which are issued pursuant to this delegation can be listed on the appropriate secondary market, official or unofficial, organized or over-the-counter, national or foreign.

Furthermore, sometimes it may be advisable to make the issues of securities pursuant to this proposal through a subsidiary guaranteed by the Company. Consequently, it is considered advisable for the Shareholders' Meeting to authorize the Board of Directors to guarantee on behalf of the Company, within the limits previously indicated, the issues of convertible securities or warrants which may be made during the period of validity of the resolution by subsidiaries, in order to provide the Board of Directors with the utmost flexibility to structure the securities issues in the manner which is most appropriate depending on the circumstances.

All the powers which will be conferred on the Board of Directors if the resolution is approved, will be with an express power of delegation, so that the objective sought of providing the greatest possible flexibility for the proposed transactions is furthered even more.



3. FULL TEXT OF THE PROPOSED AGREEMENT SUBMITTED FOR APPROVAL BY THE GENERAL SHAREHOLDERS' MEETING

***“14. Authorization to the Board of Directors, with express powers of delegation, for a maximum period of five years, to issue notes convertible into new shares of the Company, as well as warrants (options to subscribe new shares of the Company). Establishment of the criteria for determining the rules and forms of the conversion and conferral on the Board of Directors of the power to increase the share capital by the necessary amount, and to exclude the pre-emptive subscription right (from the date of trading of the Company's shares), although the latter power is limited to the maximum of 20% of the share capital on the date of the authorization.*”**

It is approved to revoke the authorization approved by the General Shareholders' Meeting of March 3, 2017, and to authorize the Board of Directors, in accordance with the general rules on the issue of notes and in compliance with the provisions of articles 286, 297 and 511 of the Capital Companies Law and article 319 of the Commercial Registry Regulations, to issue notes in accordance with the following terms:

(i) Notes the subject matter of the issue.- *The notes to which this authorization refers are convertible notes of any kind (including, in particular, convertible notes and warrants) convertible into or with a right to subscribe newly-issued shares of the Company.*

(ii) Maximum amount of the authorization.- *The total maximum value of the issue or issues of notes which may be approved pursuant to this delegation shall be FIVE HUNDRED MILLION euros (€500,000,000), this is, half of the limit established under the authorizations approved on March 3, 2017. For the purposes of calculating the above-mentioned limit, in the case of warrants the sum of premiums and exercise prices of the warrants of the issues which may be resolved pursuant to this authorization shall be taken into account.*

(iii) Scope of the authorization.- *This authorization covers, as broadly as is required by law, the establishment of the different terms and conditions of each issue, including, merely by way of illustration and not limited to: the amount thereof, at all times within the total quantitative limit mentioned above; the place of issue (Spain or another country) and the type of issue; the currency, national or foreign, and, in the case of a foreign currency, its equivalent in euros; the denomination or form of the notes, whether bonds or notes, including subordinated notes, warrants (which, in turn, may be settled by means of the physical delivery of shares or, where relevant, by cash settlement), or any other denomination or form permitted by the law; the date or dates of issue; the number of notes and their par value which, in the case of convertible bond or notes, may not be less than the par value of the shares; in the case of warrants and other similar notes the issue price and/or the premium, the exercise price (which may be fixed or variable, determined or determinable) and the procedure, period, and all other terms and conditions applicable to the exercise of the right to subscribe the underlying shares or, where relevant, the exclusion of such right; the interest rate (fixed or variable), and the dates and procedures for payment of the coupon; whether the issue is perpetual or is subject to redemption and, in the latter case, the redemption period and the maturity*



date or dates; the guarantees, rates and price of repayment, premiums and lots; the form of representation, as physical notes or book entries; antidilution clauses; system of placement and subscription and rules applicable to subscription; the range of the values and subordination clauses, if any; legislation applicable to the issue; the power to apply for admission to trading, where relevant, of the notes issued on secondary, organized or over-the-counter markets, official or unofficial, Spanish or foreign, subject to the requirements established by the legislation applicable in each case; and, in general, any other condition of the issue, as well as, where relevant, the appointment of the commissioner of the syndicate of notes holders and the approval of the basic rules by which the legal relations between the Company and the syndicate of holders of the notes issued will be governed, if it is necessary to create or it is decided to create such syndicate. The delegation also includes the conferral on the board of directors of the power to decide, in each case, in relation to the conditions of redemption of the notes issued pursuant to this authorization, with the authority to use to the extent applicable the means of redemption referred to in article 430 of the Capital Companies Law or any others that are applicable. In addition, the Board of Directors is empowered so that, when it considers it appropriate, and subject to the obtainment of the necessary official authorizations and, where relevant, to the approval of the Assemblies of the relevant Syndicates or other bodies representing the holders of the notes, it may modify the conditions of the notes issued and their respective term and the rate of interest which may accrue on those included in each of the issues which may be made pursuant to this authorization.

(iv) Rules and forms of conversion.- For the case of an issue of convertible notes (including notes or bonds), and for the purposes of determining the rules and forms of the conversion, it is resolved to establish the following criteria:

a. Any notes which are issued pursuant to this resolution shall be convertible into newly-issued shares of the Company, in accordance with a fixed or variable conversion ratio, determined or determinable, the Board of Directors being authorized to determine if they are voluntarily convertible, at the option of the holder thereof and/or of the Company, with the frequency and during the period which may be established in the issue resolution.

b. The Board of Directors may also establish, where the issue is convertible, that the issuer reserves the right to opt at any time between the conversion into new shares or even of performing a cash settlement.

c. For the purposes of the conversion, the notes shall be valued at their par value (including, where relevant, the interest accrued and pending payment) and the shares at the fixed rate which may be established in the resolution of the Board of Directors in which this authorization is exercised, or at the variable rate to be determined on the date or dates which may be indicated in the resolution itself of the Board of Directors, according to the Stock Market value of the Company's shares on the date(s) or period(s) which is/are adopted as a reference in the resolution itself, with a premium or, where relevant, a discount, although if a discount on the price per share is established, it may not be greater than 25% of the value of the shares which is adopted as a reference in accordance with the provisions above.



d. The value of the shares for the purposes of the ratio for conversion of notes into shares may not be lower in any event than the par value of the shares. In addition, pursuant to article 415 of the Capital Companies Law, notes convertible into shares may not be issued either when the par value of the former is lower than that of the latter.

(v) Rules and forms of exercise of warrants and other similar notes.- In relation to issues of warrants, to which the provisions of the Capital Enterprises Law in relation to convertible notes shall be applicable by analogy, the Board of Directors is authorized to determine, in the broadest terms, in relation to the rules and the terms and conditions applicable to the exercise of the warrants, the criteria applicable to the exercise of rights of subscription of newly-issued shares of the Company or of acquisition of shares in circulation of the Company, derived from the notes of this nature issued pursuant to the delegation of authority which is granted. The criteria provided in section (v) above shall be applicable to this type of issues, with the adjustments which may be necessary so that they comply with the legal and financial rules which regulate notes of this kind.

(vi) Other delegated powers.- This authorization for the Board of Directors also comprises, by way of illustration but not limited to, the delegation to it of the following powers:

a. The power, pursuant to the provisions of article 511 of the Capital Companies Law, to exclude, in whole or in part, the pre-emptive subscription right of the shareholders, complying with the legal requirements established for this purpose, although this power shall be limited to notes convertible into, or entitling to the subscription of, shares with a maximum nominal value of €57,551,436, equal to twenty per cent of the Company's share capital on the date of adoption of this resolution. In any event, if it is decided to exercise the power conferred to exclude the pre-emptive subscription right, the Board shall issue at the time of approving the issue and in accordance with the legislation applicable, a report describing the specific reasons of corporate interest which justify such measure, which shall be the subject of the relevant report of an independent expert in accordance with the provisions of articles 414.2, 417.2 and 511 of the Capital Companies Law.

b. The power to increase the capital by the necessary amount to meet the requests for conversion and/or exercise of the right to subscribe shares. This power may only be exercised if the capital which is increased by the Board of Directors to meet the issue of the convertible notes or warrants in question does not exceed of €143,878,590, which equals to fifty percent of the capital of the Company on the date of adoption of this resolution, taking into account within such limit the capital increases related to the issues made in accordance with this resolution as well as the capital increases executed by the Board of Directors by virtue of the authorizations conferred by the Shareholders' Meeting pursuant to the provisions of article 297.1.b) of the Capital Companies Law, without prejudice to the application of anti-dilution clauses and adjustment of the conversion ratio. This authorization to increase the capital includes the authorization to issue and put into circulation, on one or more occasions, the shares representing it which are necessary to carry out the conversion and/or exercise of the right to subscribe shares, as well as the authorization to provide new wording for the articles of the Bylaws



relating to the share capital figure and the number of shares and, where relevant, to cancel part of such increase of capital which has not been necessary for the conversion and/or exercise of the right to subscribe shares.

c. The power to develop and specify the rules and forms of the conversion, and/or exercise of the rights to subscribe shares, derived from the notes to be issued, taking into account the criteria established in sections (v) and (vi) above.

d. The delegation of authority to the Board of Directors comprises the broadest powers which may be legally necessary for the interpretation, application, enforcement and implementation of the resolutions regarding the issue of convertible notes or warrants, on one or more occasions, and the relevant increase of capital, also granting to it powers to rectify and supplement them in all necessary respects, and for the observance of any requirements that may be legally imposed in order to successfully carry them out, being entitled to rectify omissions or defects in such resolutions, indicated by any authorities, officials or bodies, national or foreign, being also empowered to adopt any resolutions and execute any public or private documents that it considers necessary or advisable for the adaptation of the previous resolutions for the issue of convertible notes or warrants and of the relevant increase of capital to the verbal or written assessment of the Commercial Registrar or, in general, of any other competent national or foreign authorities, officials or institutions.

(vii) Admission to trading.- The Company shall request, when appropriate, the admission to trading on official or unofficial secondary, organized or over-the-counter markets, national or foreign, of the convertible notes and/or bonds or warrants which may be issued by the Company pursuant to this delegation of authority, authorizing the Board of Directors, as broadly as is legally necessary, to carry out the procedures and steps necessary for the admission to trading at the competent bodies of the various national or foreign securities markets, subject to the rules on listing, continued presence and, where relevant, exclusion from trading.

(viii) Guarantee of issues of convertible notes or warrants by subsidiaries. The Board of Directors is also authorized to guarantee on behalf of the Company, within the limits previously indicated, the new issues of convertible notes or warrants which, during the period that this resolution remains in force, may be carried out by subsidiaries.

(ix) Power of delegation.- The Board of Directors is expressly authorized to delegate, in turn, pursuant to the provisions of article 249 bis of the Capital Companies Law, the powers referred to in this resolution.

(x) Period of delegation.- The issue of notes authorized may be made on one or more occasions within a maximum period of five years from the date of adoption of this resolution.

It is hereby stated that, in accordance with articles 286, 297 and 511 of the Capital Companies Act, a report justifying the proposal presented here has been prepared by the Board of Directors and made available to shareholders.”

Madrid, 29 March 2021