



Report of the board of directors of Acerinox, S.A. on the proposed amendment of the bylaws included in item 9 of the agenda of the Annual Shareholders' Meeting, which has been convened to be held on April 19, 2024, at first call and on April 22, 2024, at second call

Madrid, March 12, 2024



REPORT OF THE BOARD OF DIRECTORS OF ACERINOX, S.A ON THE PROPOSED AMENDMENT OF THE BYLAWS INCLUDED IN ITEM 9 OF THE AGENDA OF THE ANNUAL SHAREHOLDERS' MEETING, WHICH HAS BEEN CONVENED TO BE HELD ON APRIL 19, 2024, AT FIRST CALL AND ON APRIL 22, 2024, AT SECOND CALL

Wording of item 9 on the agenda

"Approval of the amendments to the bylaws:

- 9.1. Amendment of article 24 ("Board positions") of the bylaws.
- 9.2. Amendment of article 25 ("Directors' remuneration") of the bylaws."

I. Introduction and purpose of the report

This report has been prepared in accordance with the provisions of article 286 of the revised text of the Spanish Capital Companies Act, approved by Royal Legislative Decree 1/2010, of July 2 (hereinafter, the "Capital Companies Act"), which requires that if an amendment to the bylaws is proposed, the directors must draw up the full text of the amendment they propose, as well as a report outlining the justification for the amendment. Consequently, this report was prepared by the board of directors of Acerinox, S.A. (hereinafter, "**Acerinox**" or the "**Company**") at its meeting held on March 12, 2024 in order to explain the proposed amendments to article 24 ("Board positions") and article 25 ("Directors' remuneration") of the Company's bylaws; it is submitted for approval to the Annual Shareholders' Meeting to be held on April 19, 2024, at first call and on April 22, 2024, at second call, under item 9 of the agenda.

II. Justification for the proposal made by the board of directors of Acerinox, S.A. to the Annual Shareholders' Meeting regarding the amendment of article 24 of the Company's bylaws

The Regulations of the Board of Directors were amended at the board meeting held on February 27, 2023 in order to add the regulations regarding the lead independent director position. In this regard, the board agreed to amend article 7, paragraph 4, and to create a new article 11-bis.

Along with this, the position of lead independent director must be added to the Company's bylaws. For this purpose, on March 12, 2024, the board of directors agreed to submit to the Shareholders' Meeting the amendment of article 24, specifically its introduction and paragraph 2.

In accordance with the foregoing, the text of article 24 of the Company's bylaws is included below. This is presented for approval to the Annual Shareholders' Meeting under item 9.1 of the agenda, highlighting the proposed amendments:



“Article 24. Board positions

The following are the positions within the board: chairman, vicechairman or vicechairmen, chief executive officer, [lead independent director - if any -](#), and secretary.

- 1). The chairman, in addition to the functions assigned by law and in the bylaws, is charged with leading governance in the Company and the group of investees, directing the functions of the board, ensuring that its members have sufficient information, and representing the Company at an institutional level.
- 2). In the event of absence or incapability, the eldest vicechairman shall take ~~his~~[the](#) place ~~of the chairman~~ if they were to be independent. In the absence of the aforementioned, this will fall to the [lead independent director](#) ~~Board Member~~ with the longest tenure, and the eldest member in the event that there were several of equal tenure, followed by the next most senior should this member decline.
- 3). The board, at the request of the chairman, and based on a report previously issued by the Appointments, Remuneration and Corporate Governance Committee, may appoint a board member as chief executive officer and delegate to this person all the responsibilities that can be delegated pursuant to the law and the bylaws. The chief executive officer shall be responsible for the effective leadership of the Company's businesses, in line with the decisions and principles that the Annual Shareholders' Meeting and the board of directors resolve in their respective fields. The chief executive officer will have command over all the Company's services and the senior management. The chief executive officer will also be in charge of executing the general strategy of the business group and of ensuring it is carried out. The position of chief executive officer may be held by any member of the board of directors.
- 4). The board of directors, at the request of the chairman, and based on a report previously issued by the Appointments, Remuneration and Corporate Governance Committee, may appoint a secretary, and if applicable, a vicesecretary, who may or may not be board members. In the absence or lack of the secretary, the vicesecretary, if so appointed, will act in their place. If not, this will fall to the youngest board member, and should he decline, the next youngest.”

III. Justification for the proposal made by the board of directors of Acerinox, S.A. to the Annual Shareholders' Meeting regarding the amendment of article 25 of the Company's bylaws

Within the framework of the continuous reflection process carried out by the Appointments, Remuneration and Corporate Governance Committee, the Company has carried out a new review of the remuneration system for Acerinox directors; it has identified some aspects that could improve this system and, with it, the Company's corporate governance system in general.

As a result of the conclusions reached in this process of reflection, which is the result of an in-depth study and a comparison exercise between the statuses of Acerinox and comparable



companies, the Appointments, Remuneration and Corporate Governance Committee has proposed to the board of directors the elimination of attendance fees for board and committee meetings for Acerinox board members from the Acerinox director's remuneration system. Instead, directors shall receive only fixed annual allowance in their capacity as such; this shall be payable monthly in arrears and shall be prorated on a daily basis in the event that the corresponding position is not occupied during the entire year. The individual determination of the remuneration of each director in their capacity as a director shall be made by the board and following a report from the Appointments, Remuneration and Corporate Governance Committee, within the framework of the bylaws and the Remuneration Policy in force, respecting the maximum annual amount and other criteria contained therein.

In accordance with the foregoing, following a report from the Appointments, Remuneration and Corporate Governance Committee, the board of directors proposes to the Annual Shareholders' Meeting the amendment of article 25 of the Company's bylaws, under item 9.2 of the agenda.

Specifically, sections 2 and 5 of article 25 of the bylaws must be modified; these provide for the payment of attendance fees to members of the board of directors. Within the framework of this proposal, it is also proposed that some of the provisions relating to the remuneration and contract of executive directors be rearranged, as well as eliminating the section relating to the remuneration of the board secretary and, if applicable, vicesecretary. If these positions were directors, their remuneration would be regulated in accordance with the existing provisions regarding board members; if they were not, their remuneration regime should not be included in this article of the bylaws for organizational reasons.

In turn, the board of directors, following a report from the Appointments, Remuneration and Corporate Governance Committee, will propose for approval by the Annual Shareholders' Meeting of a new Directors' Remuneration Policy of Acerinox, S.A. (hereinafter, the "**Policy**"), subject to the adoption by the Annual Shareholders' Meeting of the resolution to amend the Company's bylaws.

In accordance with the foregoing, the text of article 25 of the Company's bylaws is included below, as proposed for approval to the Annual Shareholders' Meeting, highlighting the proposed amendments:

"Article 25. Directors' remuneration

1). The position of director shall be remunerated.

2). Directors, in their capacity as directors, shall receive a ~~pro-rated~~ fixed annual ~~remuneration~~ allowance as members of the board of directors and its committees.

These amounts will be payable monthly in arrears and will be prorated on a daily basis in the event that the corresponding position is not occupied ~~duties are not performed~~ during ~~the whole year~~ Fixed remuneration will be payable monthly in arrears the whole year.

~~This fixed remuneration will be complemented by the payment of attendance fees, which will only be received by those attending each session in person or by telematic means.~~

~~Directors who serve on Board Committees shall also be entitled to the attendance fee indicated, which shall be the same amounts that apply for being a member of the Board, and in the same cases as in the latter.~~

~~Attendance fees paid to the Chairpersons of the Board and Committees shall be twice that of the other Directors.~~

3). The amount of ~~prior~~ remuneration ~~corresponding~~ corresponding to each director in their capacity as a director shall be determined by ~~the board, following a report by the Appointments, Remuneration, and Corporate Governance Committee, within the framework provided for by law and respecting the annual maximum total, as well as other criteria that appear in the Directors' Remuneration Policy, which will be approved by the Annual Shareholders' Meeting as a separate agenda item. The yearly remuneration of the Directors the Policy for the Remuneration of Directorsthe~~ Directors' Remuneration Policy. Yearly remuneration may vary depending on the functions and responsibilities assigned to each ~~of them~~ director, on whether they are members of a board committee, and on other objective circumstances that are deemed relevant.

4). When a member of the board of directors is appointed as the chief executive officer or conferred executive functions for some other reason, a contract must be drawn up between this individual and the Company, which must be previously approved by the board of directors, with the vote in favor of two thirds of its members. The director in question must abstain from attending the discussion and participating in the vote. The approved contract must then be attached to the meeting minutes. The contract must be in accordance with the Remuneration Policy approved by the Annual Meeting, which shall establish at least the amount of the fixed annual remuneration corresponding to the director for the performance of their executive duties and other provisions of law. For executive directors, the right to remuneration derived from their condition as member of the board shall be compatible with their right to remuneration for their senior management position. ~~Following a report from the Appointments, Remuneration and Corporate Governance Committee, the Board of Directors is responsible for the individual setting of each Director's remuneration for the performance of the executive duties attributed to them within the framework of the remuneration policy and in accordance with the provisions of their contract.~~

5). The contract shall list all items for which the executive director may receive remuneration for the performance of executive duties, consisting of fixed remuneration, a variable bonus subject to fulfillment of financial and nonfinancial objectives, a long-term incentive consisting of company shares based on metrics aligning their interests with those of the Company, ~~the attendance allowances received~~

~~for their position as a member of the Acerinox board of directors and the boards of its subsidiaries~~, and, where applicable, the same income in kind as the other members of senior management. The Company shall also make a yearly contribution to its savings and social insurance provision subject to the conditions set out in the regulations governing senior management remuneration, in accordance with the Remuneration Policy approved by the Annual Shareholders' Meeting and the limits set therein. ~~The Director is not entitled to any payment for performing executive functions whose amounts or concepts are not laid out in this contract. The contract must be in accordance with the remuneration Policy approved by the General Meeting, which shall establish at least the amount of the fixed annual remuneration corresponding to the Director for the performance of their executive duties and other provisions of law.~~

The chief executive officer's contract shall include any severance pay to which he/she is entitled as a result of dismissal by the Company, which must not exceed the figure established in the Remuneration Policy. The director is not entitled to any payment for performing executive functions whose amounts or concepts are not laid out in this contract.

~~6). The Secretary of the Board, or Vice Secretary if applicable, shall be remunerated as specified in the Regulations of the Board of Directors.~~
Following a report from the Appointments, Remuneration and Corporate Governance Committee, the board of directors is responsible for the individual setting of each director's remuneration for the performance of the executive duties attributed to them within the framework of the Remuneration Policy and in accordance with the provisions of their contract."

IV. Proposed resolutions submitted for approval to the Annual Shareholders' Meeting:

Proposed resolution relating to item 9.1 of the agenda of the Annual Shareholders' Meeting:

"To approve the amendment to article 24 ("Board positions") of the Company's bylaws, which will be worded as follows:

Article 24. Board positions

The following are the positions within the board: chairman, vice chairman or vice chairmen, chief executive officer, lead independent director—if any—and secretary.

- 1) In addition to the functions assigned by law and in the bylaws, the chairman is charged with leading governance in the Company and the group of investees, directing the functions of the board, ensuring that its members have sufficient information, and representing the Company at an institutional level.
- 2) In the event of the chairperson's absence or incapability, the eldest vice chairperson will take their place if the latter is independent. In the absence of the aforementioned, the position will fall to the lead independent director, or in such a director's absence, to the

independent director with the longest tenure in the role, and in the event that there are several of equal tenure, the eldest member, followed by the next eldest should this member decline.

- 3) The board, at the request of the chairman, and based on a report previously issued by the Appointments, Remuneration, and Corporate Governance Committee, may appoint a board member as chief executive officer and delegate to this person all the responsibilities that can be delegated pursuant to the law and the bylaws. The chief executive officer will be responsible for the effective leadership of the Company's businesses, in line with the decisions and principles that the Annual Shareholders' Meeting and the board of directors resolve in their respective fields. The chief executive officer will have command over all the Company's services and the senior management. The chief executive officer will also be in charge of executing the general strategy of the business group and of ensuring it is carried out. The position of chief executive officer may be held by any member of the board of directors.
- 4) The board of directors, at the request of the chairman, and based on a report previously issued by the Appointments, Remuneration, and Corporate Governance Committee, may appoint a secretary, and if applicable, a vice secretary, who may or may not be board members. In the case of vacancy or absence in the role of secretary, the vice secretary, if one is appointed, will act in their place. If not, this will fall to the youngest board member, and should they decline, the next youngest."

Proposed resolution relating to item 9.2 of the agenda of the Annual Shareholders' Meeting:

"To approve the amendment of article 25 ("Directors' remuneration") of the Company's bylaws, which will be worded as follows:

Article 25. Directors' remuneration

- 1) The position of director will be remunerated.
- 2) Directors, in their capacity as directors, will receive a fixed annual allowance as members of the board of directors and its committees.

These amounts will be payable monthly in arrears and will be prorated on a daily basis in the event that the corresponding position is not occupied throughout the entire year.

- 3) The total remuneration corresponding to each director in their capacity as a director will be determined by the Directors' Remuneration Policy. Yearly remuneration may vary depending on the functions and responsibilities assigned to each director, on whether they are members of a board committee, and on other objective circumstances that are deemed relevant.
- 4) When a member of the board of directors is appointed as the chief executive officer or conferred executive functions in another role, a contract must be drawn up between this individual and the Company. The contract must be previously approved by the board of directors, with two thirds of its members voting in favor. The director in question must abstain from attending the discussion and participating in the vote. The approved contract must then be attached to the meeting minutes. The contract must

be in accordance with the Remuneration Policy approved by the Annual Shareholders' Meeting, which will establish at least the amount of the fixed annual remuneration corresponding to the director for the performance of their executive duties and other provisions of law. For executive directors, the right to remuneration derived from their condition as member of the board will be compatible with their right to remuneration for their senior management position.

- 5) The contract will list all items for which the executive director may receive remuneration for the performance of executive duties, consisting of fixed remuneration, a variable bonus subject to fulfillment of financial and nonfinancial objectives, a long-term incentive consisting of Company shares based on metrics aligning their interests with those of the Company, and, where applicable, the same income in kind as the other members of senior management. The Company will also make a yearly contribution to their savings or pension plan subject to the conditions set out in the regulations governing senior management remuneration, in accordance with the Remuneration Policy approved by the Annual Shareholders' Meeting and the limits set therein. The chief executive officer's contract will include any severance pay to which they are entitled as a result of dismissal by the Company, which must not exceed the figure established in the Remuneration Policy. The chief executive officer is not entitled to any payment for performing executive functions whose amounts or components are not laid out in this contract.

Following a report from the Appointments, Remuneration, and Corporate Governance Committee, the board of directors is responsible for the individual setting of each director's remuneration for the performance of the executive duties attributed to them within the framework of the Remuneration Policy and in accordance with the provisions of their contract."

Madrid, March 12, 2024

