



GENERAL POLICIES

1. General Policy for Selection of Acerinox, S.A. Directors

26 February 2020

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GENERAL POLICY FOR SELECTION OF ACERINOX, S.A. DIRECTORS

The ACERINOX, S.A. ("Acerinox" or "the Company") Board of Directors is responsible for the ongoing approval, design, assessment and review of the Company's Corporate Government System, and for approving the Corporate Policies that implement the principles set out in the Companies Act and in the Good Governance Code of Listed Companies and in the CNMV technical guides, which contain the fundamental guidelines that govern the actions of the Parent Company and that of companies that form of the Group, as well as its directors, managers, and employees.

With this General Policy Regarding the Selection of Directors, the Board of Directors attempts to ensure that proposals for the appointment of Directors respond to the recommendations of Good Governance and to the needs of the Board of Directors and the Business Group, and that these proposals constitute substantiated decisions that can be audited by shareholders and different stakeholders.

I.- Scope of Application

In the case of candidates to director that are legal entities, what is established in this Policy for Selection of Directors shall extend to natural persons who represent the aforementioned legal entities. Notwithstanding the foregoing, the Company shall advocate that director candidates be natural persons, especially those independent and executive directors.

For the purposes of this Policy, it is irrelevant whether the candidate be appointed through cooption or through the ordinary appointment of the Annual Meeting.

If the appointment is made through the right of a share consolidation, every effort shall be made to ensure that candidates comply with what is established in this Policy. The company may oppose the appointment of individuals that do not comply with what is established herein.

II.- General Principles

The Board of Directors must be large enough to operate efficiently and in a participative way, with the adequate proportion of the different directors categories, making it highly recommendable for the number of directors to be between nine and fifteen.

The Chairman shall submit for the deliberation of the Board of Directors the convenience of filling all vacancies, and shall request opinions regarding this matter from the Appointments, Remunerations, and Corporate Governance Committee.

Proprietary and independent directors shall constitute the majority of the Board of Directors.

The proportion of proprietary directors over the total number of directors must not be greater than the existing proportion between the company's capital represented by said directors, and the remaining capital.

The selection of director candidates, whether through appointment, ratification, or re-election, shall begin with a weighted analysis of the needs of the Company according to the approved competency matrix and the Group. This shall be performed by the Board of Directors together with the counselling and report prepared by the Appointments, Remunerations, and Corporate Governance Committee.

The process must commence at least three months prior to the time of the vacancy, if this is known.

III.- Selection Process. Collaboration from external consultants

a) Proprietary Members

When the director is a proprietary member, whoever presents said member shall ensure that the person satisfies all requirements regarding experience, knowledge, repute, and aptitude that would be required of an independent director candidate, in accordance to what is established in this Policy.

Requests by shareholders that own major interests in the company capital shall be considered for the selection of proprietary directors, as well as formal requests for a presence on the Board of Directors from shareholders whose shareholding is equal to or greater than others who have had their requests for the appointment of dominical directors approved.

b) Independent and Executive Members

Any director may suggest board member candidates. The proposals must consider all requirements established in this Policy regarding the selection of directors.

The Appointments, Remunerations, and Corporate Governance Committee may count on the collaboration of external consultants for the selection or preparation of a candidates shortlist, either through its own initiative or through the suggestion of the Chairman of the Board of Directors.

c) Others

External directors who do not have the status of Independent or Proprietary Members may be selected. The Company will explain such a circumstance and their links to it or with their managers or significant shareholders.

IV.- Conditions that candidates must meet

Candidates for Company directors must be honourable individuals, with ideal and acknowledged professional solvency, competence, experience, qualification, education, availability, and commitment with the position.

These individuals must professionals whose professional conduct and history are consistent with the principles expressed in the Acerinox Code of Conduct and Good Practices, and to the values of the company.

The selection of board member candidates must also ensure that an adequate balance of knowledge, experience, genders and origins on the Board of Directors as a whole is achieved so that the decision-making process may be enriched with multiple points of view regarding matters that fall within its terms of reference.

V.- Restrictions for being candidates

Individuals affected by legal grounds that prevent them from fulfilling the position, or which make the fulfilment of the position incompatible, cannot be proposed as director candidates. This also applies to the following:

- a) Individuals who have held senior positions in Public Spanish Administrations or companies, or in National or Autonomous governments that may legally be incompatible with the fulfilment of duties as a director of a listed company, in accordance to what is established in Spanish state or regional legislation. This situation shall also be understood to concur when, even without any legal impediment, the board member candidate's proximity to public duties performed may tarnish the good name and impartiality of the Acerinox governance bodies once said individual is appointed member of the board.
- b) Natural persons or legal entities that are involved in any other possible situation of incompatibility or prohibition regulated in general provisions.
- c) Individuals that hold administrative positions on the governance bodies of other companies in a number greater than the limits indicated in the Acerinox Board of Directors Regulations, or in a number that shall be greater to the aforementioned limits if the individual in question is appointed Acerinox director, unless the individual agrees to comply with the indicated number if and when he/she is appointed.

- d) Any individual that performs similar duties or holds similar positions of responsibility in companies that are direct rivals, in entities that control said companies, and in general any individual whose position or relevant relations may lead to the existence of a permanent conflict of interest.
- e) Those who had a direct or indirect relations of dependence or kinship with other members of the Board, or professional relations with them or any other link that could influence their independence unless they were elected as Proprietary Directors.
- f) Individuals who are old at the time of their appointment, ratification, or re-election.

VI.- Diversity Goals

The Policy Regarding the Selection of Directors sought to ensure that by 2020 the number of members belonging to the least represented gender represent at least 30% of the total number of members of the Board of Directors.

The Board will consider raising this percentage according to the circumstances at any given time.

The Board of Directors encourages shareholders with proprietary representation on the body to consider these goals when formulating their requests for membership.

VII.- Verification

Every year the Appointments, Remunerations, and Corporate Governance Committee shall verify compliance with the Policy regarding the Selection of Directors, and shall report said verification in the Annual Corporate Governance Report.

VIII.- Circulation

The Company shall publish this policy on its website.