

ANNEX 1

SUPPLEMENTARY INFORMATION TO THE ANNUAL REPORT ON CORPORATE GOVERNANCE FOR THE LISTED COMPANIES OF ACERINOX S. A. RELATED TO THE YEAR 2011, IN ACCORDANCE WITH ARTICLE 61 BIS OF LAW 24/1988 ON THE STOCK MARKET DATED 28TH JULY, IN ACCORDANCE WITH THE TERMS OF LAW 2/2011 ON ECONOMIC SUSTAINABILITY DATED 4TH MARCH.

- Securities that are not traded on a regulated market within the European Union, indicating, when necessary, the type of shares and, for each share type, the rights and obligations that are conferred:

Not applicable.

- Any restriction on the transferability of securities and any restriction to the right to vote:

ACERINOX S.A. does have any restrictions on the transferability of securities or to the right to vote. (See Section A.10 of the Annual Report on Corporate Governance).

- Applicable legislation to the modification of the Company's Articles of Association.

The modification of the Articles of Association of Acerinox S.A. must be agreed by the General Shareholders' Meeting and must comply with the following requirements:

- The administrators or, if applicable, the shareholders who put forward the modification proposal, must draft the entire text of the proposed modification and draft a written report explaining the reasons for the proposal.
- In the announcement in which the General Shareholders' Meeting is called, the aspects that are subject to the proposed modification must be clearly explained along with a statement of the rights that correspond to each shareholder so that the entire text of the proposed modification can be examined in the Company's registered offices and the report explaining this proposal, as well as the right to request that these documents be sent or delivered free of charge.
- In the General Shareholders' Meeting in which the modification of the Articles of Association are agreed, in the first convocation, the shareholders present or represented must account of at least fifty percent of the subscribed capital with voting rights. At the second vocation, shareholders representing twenty-five percent of this capital shall be sufficient.
- The agreement to validate the modification of the Articles of Association shall be adopted by simple majority if the shareholders in attendance or represented at the first convocation account for over fifty percent of the subscribed capital with voting rights. At the second convocation, the modification shall be adopted with a two-thirds majority of the capital in attendance or represented at the meeting if the shareholders present account for at least twenty five percent of the subscribed capital with voting rights but less than fifty percent.

- Significant agreements that the Company has held and that take effect, which are modified or terminated with respect to changes of control within the Company, due to a takeover bid and its effects:

Not applicable.

- Agreements between the Company and its administrators, directors or employees that are entitled to indemnity if they resign or are dismissed unfairly or if the employment relationship is terminated due to a takeover bid:

There is a total of nine individuals in the parent company and the Group that have clauses in their contracts that guarantee indemnity in excess of the amount set under current legislation.

- A description of the main characteristics of the internal control systems and risk management in relation to issuing financial information

REPORT ON THE ACERINOX GROUP'S INTERNAL CONTROL SYSTEM FOR FINANCIAL INFORMATION

THE ORGANIZATION'S CONTROL ENVIRONMENT

1. An explanation of which bodies and /or departments are responsible for: (i) the existence and maintenance of adequate and effective Internal Systems of Control of Financial Information; (ii) the implementation of these systems; (iii) their monitoring.

The Board of Directors at Acerinox are ultimately responsible for the existence and maintenance of an internal system of control and risk management, in compliance with Article 6.1. of the Company Regulations.

Together with the Senior Management Committee, the Chief Executive Officer is responsible for the drafting, implementation and operation of the internal control systems of Acerinox and its group of companies and, in particular, with respect to the Internal Systems of Control of Financial Information (SCIIF by its Spanish acronym), which it manages through the Corporate Financial Management Department at a corporate level and in each company. In addition, the Internal Audit and Corporate Risk Management Departments are responsible for establishing and maintaining the procedures for identifying and managing risk and internal control, making proposals for the most suitable management technologies and processes, and providing support for the Corporate Financial Management with respect to the implementation and maintenance of the SCIIF.

In accordance with Article 10 of the Audit Committee's Regulations, it is the Committee's duty to monitor the effectiveness of the Company's internal control systems and risk management systems, including the Internal Systems of Control of Financial Information (SCIIF). To this end, the Committee has an Internal Audit department which, in accordance with Section b) of

Article 4 of their operational regulations, is responsible for monitoring the smooth running of the internal control systems.

2. An explanation of which bodies and/or mechanisms are responsible for: (i) the design and review of the organizational structure. (ii) Clearly establishing the lines of responsibility and authority, with a suitable distribution of duties and functions. (iii) Establishing efficient procedures for the effective dissemination throughout the organization, particularly in relation to the process of drafting financial data.

(i)

Design and review of the organizational structure.

The Board of Directors has the power of approval with respect to the creation and termination of subsidiary companies within the Group, and the creation of new management bodies (or the appointment of new directors).

In consultation with the Senior Management Committee, the Chief Executive Officer is responsible for the modification of the structure of lower level management, with or without being at the initiative of the related Director.

On a monthly basis, a report of the Group's structure is submitted to the Senior Management Committee, with a breakdown of each subsidiary.

In the same way, the creation, modification or termination of units that are equal to or larger than a department must be authorized by the Company's Chief Executive Officer, at the responsibility or request of the unit manager, after an explanation of the reasons justifying such a measure.

(ii) Establishing the lines of responsibility

At a global level, the main instrument for the establishment of lines of responsibility is the operating instruction of the Senior Management Committee. This instruction is approved by the Chief Executive Officer in their joint capacity as member of the Board of Directors and *de facto* and *de jure* Chairman of the Senior Management Committee.

The instruction sets the limits of the profiles and actions of the various Directors of Acerinox S.A. with the necessary level of precision. The Directors currently include the Chief Executive Officer, the General Director, the Financial Director, the Commercial Director, the General Secretary and the Director of the Campo de Gibraltar Factory.

(iii) Dissemination throughout the organization

In terms of the dissemination of financial information and the SCIIF systems throughout the Group, the Corporate Finance Management Department is specifically responsible for ensuring communication throughout all of the units that form part of the Acerinox Group.

3. An explanation of whether the following elements exist in relation to the drafting of financial information:

- *Code of Conduct, the approval body, degree of dissemination and instruction, principles and values included (indicating if the records of operations and drafting of financial information are specifically mentioned), the body in charge of monitoring non-compliance and proposing corrective actives and sanctions..*

The Acerinox Group has a Code of Conduct and Good Practices approved by the Board of Directors in December 2009 and revised in 2011 in order to place a stronger emphasis on the reliability of financial information. Available on the internet, the Code presents and defines the social commitments of the Acerinox Group, as well as the general principles or conduct and good practices.

There are two official versions of the Code: one in Spanish and the other in English, the latter being designed for all non Spanish-speaking countries. A version in Bahasa Malay is currently being drafted in order to facilitate its dissemination among the employees at Bahru Stainless SDN BHD.

These principles and good practices are aimed at all of the Acerinox Group's stakeholders: Board of Directors, Audit Committee, Senior Management Committee, Directors, Employees and all collaborators related to the group, both on a permanent or occasional basis, such as suppliers, clients, competitors, institutions, etc.

The Code of Conduct is distributed automatically with each new employment contract that is signed within the Group, as well as to our larger clients at a European level. Large clients outside Europe shall soon be notified as a matter of course. The Code is also available of the Acerinox website.

In the first Collective Bargaining Agreement of Acerinox S.A.U. which is in effect between January 2012 to December 2014, the fifth additional clause states that:

"The Company and its employees possess knowledge and values that must be preserved and transmitted to whoever succeeds them." "These values are brought together in the Code of Conduct and Good Practices of the companies in the Acerinox Group. Together with the regulations established by the applicable Law and the Collective Bargaining Agreement as well as any other regulations that may be approved in their operation or implementation, the Code governs the actions of the Company and its employees, as well as anybody that involved with the Company now or in the future."

These general principles include Section 5 of Article 13, which states:

"The economic and financial information shall be prepared in accordance with current legislation, ensuring that the transactions, acts and any other events that affect the Company have truly taken place and are effectively recorded in full and in compliance with applicable legislation at all times, with respect to their presentation, breakdown and comparability and that, as such, they provide an adequate representation of the Company's status and its rights and obligations on the date in question."

- *A reporting channel that enables financial and accounting irregularities to be communicated to the Audit Committee, as well as eventual breaches of the Code of*

Conduct and any irregular activity in the organization, notifying, where appropriate, if the information is confidential.

The Acerinox Group has an internal reporting channel that enables potential breaches of the Code of Conduct to be reported. The First Additional Disposition regarding this channel establishes the procedure for reporting irregularities and stating who has the authority to receive and analyse such reports and to conduct the notification procedures to the Chief Executive Officer of the Acerinox Group and the Audit Committee, along with a statement of the guarantees of confidentiality and non-retaliation.

All of the reports are analysed by a Monitoring Committee, a body in charge of assessing the breaches and proposing corrective actions, that takes decisions that may involve the application of the corresponding sanctions according to the applicable legislation in each case. The Committee consists of the individuals that hold the following posts.

- The General Director of Acerinox S.A. who acts as the chairperson of the Committee.
- The Director of the Internal Audit Department of Acerinox S.A. who acts as the Committee's secretary.
- The General Secretary of Acerinox S.A.

In 2012, 8 reports were received through the reporting channel, none of which was related to the SCIIF.

The reports may be closed or start a proceeding with a notice to the Chief Executive Officer. If needed provisional measures may be adopted and a preliminary report be requested to the Audit Department.

Concerning the trading subsidiaries there is not a specific channel so the general one is used. In NAS and Columbus there are similar procedures with the direct intervention of the Chief Executive Officer as there is no specific committee for such reports. In Bahru the reporting channel has not yet been established although every employee is given the Code of Conduct.

- ***Regular training and refresher courses for employees involved in the preparation and revision of financial information, as well as the assessment of the SCIIF, which at least covers accounting regulations, auditing, internal control and risk management***

In addition, the Group has annual training programs and budgets which cover all aspects related to financial information, internal control, auditing and risk management. When a change in regulations occurs with respect to the area of financial information, it is analysed and, based on the applicability and impact of such changes, internal or external training sessions may be provided to all people affected by the changes. In 2012, training and refresher programs were run in the fields of auditing, internal control, consolidation, risk management and tax issues.

FINANCIAL INFORMATION RISK ASSESSMENT

4. An explanation of the main characteristics of the process for identifying risks, including those resulting from error or fraud, in terms of:

- ***An explanation of whether a process exists and is registered.***

- *An explanation of whether the process covers all of the objectives of financial information (existence and occurrence, completeness, assessment, presentation, breakdown and comparability, rights and obligations) and whether and how often this is updated.*
- *An explanation of whether an identification process for the consolidation perimeter exists, taking into account aspects such as the potential existence of complex corporate structures, instrumental bodies and special purpose organizations, etc.*
- *An explanation of whether the process takes the effect of other risk properties into account (operational, technological, financial, legal, reputational, environmental, etc.) in terms of their affect on financial statements.*
- *An explanation of which of the organization's governance bodies monitors the process.*

In 2010, the Acerinox Group began implementing a global process based on the criteria of materiality and qualitative risk factors that enables the identification of both the critical business unit areas and key processes in each of them in order to reduce the risk of significant error (including fraud) in terms of financial information. In the case of any unit that is subject to more rigorous legislation in this area, the process began in 2005. The results of this process provide the basis for the definition and the implementation of the procedures in each of the critical units and areas that have an impact on financial information.

The process of risk identification and assessment takes into account any type of risk that may affect the consolidated financial statements and the process of issuing financial information. Acerinox has a risk inventory with categorizations and assessments that are represented on the risk map of the Group and its main units. The inventory lists, categorizes and assesses all of the risks that may affect the Acerinox Group and its units, such as strategic, financial, operational, compliance and reputational risks, etc.

A quarterly procedure is in place for analysing the materiality of all of the units that form part of the Acerinox Group which aims to determine the necessity of incorporating another unit to the risk analysis procedure and any corresponding documentation of relevant cycles and processes.

The process covers all of the accounting objectives in order facilitate the monitoring bodies that the Audit Committee has incorporated, thereby guaranteeing the reliability of financial information:

- a) Transactions, acts and any other events recorded in the financial information have truly taken place and are effectively and duly recorded without delay (existence and occurrence).
- b) The information reflects the entirety of the transactions, acts and any other events that affect the Company (completeness).
- c) Transactions, acts and any other events are recorded and assessed in compliance with the applicable legislation (assessment)
- d) Transactions, acts and any other events are categorized, presented and displayed in the financial information in compliance with the applicable legislation (presentation, breakdown and comparability).
- e) The financial information reflects the rights and obligations at the current time through the corresponding assets and liabilities in compliance with the applicable legislation (rights and obligations)

There is a constant procedure in place for updating the process thanks to the monitoring tasks carried out by the Internal Audit Department of Acerinox S.A, and its group of companies, as well as the participation of the managers in charge of the procedures, the Financial Management

and, lastly, the Corporate Risk Department. The Management of the Internal Audit Department regularly reports on the progress made due to these updates in its presentations to the Audit Committee and in their meetings with the Chief Executive Officer.

The consolidation perimeter of Acerinox S.A. is determined by the Company's Corporate Financial Management Department through its Financial Reporting and Consolidation Department in the end of month accounts, which keeps a company record of all of the Group's shareholdings, of any nature, either directly or indirectly, as well as any organization in which the Group has the capacity to exercise control, regardless of its legal nature.

In accordance with Section f) of Article 10 of the Regulations governing its actions, the Audit Committee is in charge of monitoring the efficiency or the Company's internal control and risk management systems, including financial information risk management. To fulfil this duty, the Committee is supported by the Corporate Internal Audit Department, one duty of which is supervising the smooth running of the internal control systems, as stated in Section b) or Article 4 of its Regulations.

CONTROL ACTIVITIES

5. Descriptive documentation of the activity and control flows (including those related to the risk of fraud) of the various types of transactions that may have a significant impact on financial statements, including the accounts closing procedure and the specific review of relevant judgements, estimates, assessments and forecasts.

Since 2010, the Acerinox Group has operated an Internal Control System for Financial Information based on the COSO framework of reference proposed by the Expert Working Group in the document entitled 'Internal control of financial informations in listed companies' published by the Spanish National Securities Market Commission in July 2010. As mentioned in the preceding section, in the case of any units working in areas that are subject to more rigorous legislation, the process began in 2005 and is now fully implemented.

The Acerinox Group has identified cycles and macro processes in its internal control system that are integrated throughout all of the Group's activity. These cycles are later divided into processes which are then divided into sub-processes. For all of these and all of the units that form part of the Acerinox Group that are sufficiently significant and relevant, documentation has been drafted including detailed explanations, flow charts and risk matrices and controls.

The most relevant cycles are:

Sales revenue
Raw Materials
Purchasing
Stocks
Staff
Treasury
Fixed assets
Taxes
Financial closure
Reporting and consolidation
Maintenance

At the current time, the descriptive documentation process of the activity and control flows (including those related to the risk of fraud) has been completed, or is near completion, in the main industrial companies. In 2012, due to the importance of the manufacturing plant, Bahru Stainless SDN BHD located in Johor Bahru (Malaysia) has been added to the schedule for documenting cycles and processes that may have a quantitative or qualitative relevance at a significant level. The same can be said for the main commercial companies, both nationally and abroad. The current documentation coverage rate for the main consolidated figures, including the accounts closing procedure and the specific review of relevant judgements, estimates, assessments and forecasts, provides a reasonable level of security to carry out the SCIIF monitoring duties with sufficient rigour within the Acerinox Group.

6. A description of internal control policies and procedures regarding information systems (including access security, change controls, system operation, operational continuity and functional segregation) which provide support for organization's relevant processes in relation to drafting and publishing financial information.

As part of the financial information risk identification procedure, Acerinox identifies which systems and applications are relevant in each of the areas and processes that are considered significant. The systems and applications identified included both those that are directly used for the preparation of financial information and those that are involved in ensuring the effectiveness of the controls that reduce the risk of errors in these systems.

A methodology is followed in the design and implementation of the different applications that determines the different points of control to ensure that the solution obtained complies with the requirements stated by the system user and that the level of quality meets all of the established standards in terms of stability, reliability and efficiency.

The Information Technologies Department is responsible for the maintenance and operation of the systems, as well as guaranteeing their continuity and security. This department has different procedures in place to ensure the assignment of functions and access through the use of passwords and personalized user profiles, menu controlled access and function assignment based on roles.

The importance of this department is based on the fact that it is not simply another management body that the Group has set up, but rather that it reports directly to the Group's central management bodies at an international level.

Therefore, and in accordance with the Operating Instruction of the Senior Management Committee, the following responsibilities correspond to the Group's General Director:

Conducting the direct leadership of the Groups Information System services and ensuring the compliance of the security systems and the internal control policies of these systems. “

Guaranteeing service continuity of the IT department, through the established support and replication procedures and the implementation and maintenance of a contingency plan to cover cases of severe breakdown and catastrophes, including pandemics.

The Information Technologies Department conducts and monitors the operation of regular backups and system replications, via the systems offered by top level companies and the existence of remote connection systems that remain in operation under any circumstances.

This ensures that, whatever the circumstances, be they internal or external, the financial information can be accessed by the authorised employees in real time and from any location, thereby significantly reducing the risk of losing essential data or records.

More specifically, this guarantees the security and reliability of the systems through the implementation of the following measures:

- 1) Personalized access codes.
- 2) Use of encoded keys for remote access.
- 3) Requirement of confidentiality and protection regulations.

The implementation of these measures begins with the security documents being annexed to new employment contracts for due compliance and the requirement from each new employee of acceptance and acknowledgement of the conditions contained in the documents.

4) Installation and regular maintenance of a security infrastructure that block unauthorized external access to the systems themselves.

7. A description of internal control policies and procedures aimed at monitoring the management of activities outsourced to third parties and any activities involved in assessment, calculation or evaluation that are performed by independent experts that may significantly affect the Company's financial statements.

The Acerinox Group does not currently subcontract any significant activity to third parties that may significantly affect the drafting or dissemination of its financial statements.

In any event, if the Group requires the service of independent third parties for the drafting, dissemination and assessment of financial information, judgements and estimates, an internal protocol is in place for contracting such external services that requires the necessary levels of approval and authorization, depending on the importance of the service. The results of these service are monitored by the Corporate Financial Management Department, the General Secretary and, lastly, the Management Committee.

8. Review and authorization procedures for financial information and the description of the SCIIF to be published on stock markets, indicating who is responsible for these procedures.

The economic and financial information is drafted individually every month in each of the units of the Acerinox Group. The information to be published on stock markets includes the information related to the quarterly closing of accounts. The review and authorization procedure is as follows: once the quarterly accounts have been closed and checked, the information is sent to the Corporate Financial Management Department and, more specifically, to its Consolidation and Financial Reporting Department, which verifies the information and collates the Group's consolidated information in accordance with the International Financial Reporting Standards. Once the consolidated information has been drafted, it is sent to the Corporate Financial Management Department for review and monitoring. The information is then submitted to the Group's Management Committee for approval. After this, it is sent to the Audit Committee,

which examines the information to be presented. When the closing of accounts coincides with the end of the first or second half of the year, the Audit Committee collates the information drafted by external auditors as the closing of Group's accounts in these cases involves external audits and reports.

Lastly, the Audit Committee passes the economic and financial information to the Board of Directors for approval. Once this approval has been given, the information is published on stock markets and other public bodies.

The Group's Chief Risks Officer -in co-ordination with the affected areas- is in charge of making the SCIIF description. Such description is formally approved by each area and by the Secretary General. The process ends up with the approval of the Annual Corporate Governance Report by the Executive Committee, Audit Committee and finally the Board of Directors.

The Internal Audit Department regularly describes the internal control that affects the SCIIF to the Audit Committee in its meetings.

INFORMATION AND COMMUNICATION

9. A specific department responsible for establishing and updating accounting policies (accounting policy section or department), as well as resolving enquiries or conflicts that result from the interpretation of the policies, maintaining fluid communication with the organization's operations managers.

The Consolidation Department that reports to the Financial Management Department is responsible for drafting, implementing, communicating and updating the Group's accounting policies. A specific department therefore exists that is fundamentally responsible for the following duties:

- Analysis of current accounting regulations and new developments that regularly occur, mainly with respect to Spanish and international accounting legislation, as well as the assessment of the potential impact of these developments on the individual annual accounts of the Group's companies in Spain and the Group's consolidated financial accounts.
- Drafting the Group's accounting policies based on the abovementioned applicable accounting regulations, as well as guidelines for their application as required.
- Identification and analysis of any differences between corporate accounting policies and the local accounting regulations applicable in each country in order to monitor the corresponding standardizations that must be carried out in terms of drafting the Group's financial information.

The flows of information and communication are constant between the Group's Consolidation and Financial Reporting Department and the financial departments of the organization in each country in relation to accounting policies. Communication is normally done by e-mail. In accordance with applicable legislation, accounting treatment of any relevant operation or development is analysed by the Consolidation Department and communicated to the financial information managers in each country. In addition, these managers notify the Consolidation Department of the accounting criteria applicable in each country in order to identify and communicate potential differences, which are then monitored. This also guarantees a

standardized treatment of reporting information which provides a base for drafting financial information for the Consolidation Department.

10. A manual of accounting policies that is updated and communicated to units through which the organization operates.

The Consolidation and Financial Reporting Department has a set of documents that adapt to the needs, requirements and dimensions of the Group. These documents establish and explain the Group's accounting policies. As well as identifying the regulations that apply to each type of transaction, when necessary, the documents also explain the adaptation to the Group's particular characteristics for each type of transaction.

As a result of this analysis of the operations of the Group's companies and the developments in the field of accounting that occur each year, the Consolidation and Financial Reporting Department updates the Group's accounting policies and, when necessary, communicates the changes to the various subsidiaries, via the most effective channel in each case: e-mail, conference or meeting.

11. Mechanisms for gathering and preparing financial information with standardized formats to be applied and used by all of the units of the organization or group, that provide support for the main financial statements and notes, as well as the information that is provided on the SCIIF.

The process of consolidation and drafting financial information is performed centrally under the coordination of the Consolidation and Financial Reporting Department and with the supervision of the Financial Management Department.

For the purposes of the annual, half yearly, quarterly and monthly financial information, the Group has a procedure in place to obtain the information required for the preparation of the information. The procedure is as follows:

- 1) The financial management information systems that exist in each individual company are standardized at a Group level, identifying two main categories: firstly, factories, which use a single advanced system (RPA) and, secondly, subsidiaries that market the Group's products, which use a different accounting that has been developed internally and is common to all such companies. A project is currently underway to implement the same RPA system used in factories in the commercial subsidiaries. In the first phase, the project will be implemented in all European subsidiaries. This phase is now at an advanced stage. These systems provide the base from which the information is extracted for drafting the monthly, quarterly, half yearly and annual financial statements. From the Group's respective accounting applications the information is extracted that is later transferred to the consolidation application.
- 2) The financial information obtained from each individual company is standardized centrally at a Group level and reviewed through a series of controls that are in place. This

standardized material is gathered by the internal consolidation tool and the necessary adjustments are made in order to obtain the Group's consolidated financial statements.

- 3) In order to draft the annual and half yearly consolidated financial statements, a standardized reporting package has been developed internally which enables all of the necessary information to be gathered centrally in terms of the breakdowns required by international regulations.

Specific controls are carried out to validate the integrity of the information received centrally and entered in the consolidation tool. In addition, controls are in place to monitor the resulting consolidated financial information. These controls aim to validate the asset items, significant variations and other verifications that the Consolidation Department deems necessary in order to ensure that the financial information has been properly gathered and processed.

The reporting package is updated annually to reflect modifications in the legislation that occur with respect to accounting breakdowns and which require information which must be passed on to the Group's subsidiaries.

MONITORING THE OPERATION OF THE SYSTEM

12. An explanation of whether an internal audit department exists, the duties of which include providing support to the Audit Committee with respect to monitoring the internal control system, including the SCIIF.

The Audit Committee is responsible for monitoring the internal control system of Acerinox's financial information. Section f) of Article 10 of the Committee's Regulations states that the Committee is responsible for supervising the effectiveness of the Company's internal control and risk management systems. To this end, the Acerinox Group has a Corporate Internal Audit Department that reports to the Audit Committee and, in turn, to the Chief Executive Officer. Section b) of Article 4 of the Department's operating Regulations states that the Department's duties include supervising the internal control systems, including the SCIIF. The Internal Audit Department reports the conclusions drawn from its reviews, including those related to the SCIIF, to the Audit Committee in the regular meetings that are held throughout the year, as well as reporting to the Chief Executive Officer.

13. An explanation of whether a discussion procedure exists, through which the account auditor (in accordance with the provisions of the NTA), the Internal Audit Department and other experts may notify the organization's Senior Management, the Audit Committee or the Board of Directors of any significant weaknesses in terms of internal control that have been identified in the annual accounts review process or any other process for which they are responsible. In addition, the organization must state whether it has an action plan which aims to correct or reduce the weaknesses observed.

As parts of its annual planning of activities, the Audit Committee establishes the parties with which it should meet, including at least the following: the Financial Director, who should attend all meetings, the external auditors, at least once every six months (before the publication or regulated information) and the Internal Auditor, the Corporate Risk Manager and any individuals

necessary in order to supervise the SCIIF for the purpose of analysing control weaknesses if they exist, as well as corrective actions and monitoring.

For their part, the Acerinox Group's external auditors are in constant communication with the Corporate Financial Management Department, the Group's Senior Management and Internal Audit Department in order to gather information for performing accounts auditing duties, as well as ensuring notification and discussion of the control weaknesses detected, thereby complying with the provisions of the NTA.

14. A description of the scope of the SCIIF assessment carried out in the financial year and the procedure by which the person responsible for the assessment communicates the results, including whether the organization has a action plan that sets out the eventual corrective measures and whether the impact on the financial information has been considered.

The Internal Audit Department has an Annual Action Plan with respect to FY2012 that has been approved by the Audit Committee. The Plan schedules reviews of units and areas that are considered relevant within the Acerinox Group, including the SCIIF.

In 2012, the Internal Audit Department conducted monitoring and assessment of the main cycles and processes of the Group's principal units: Acerinox S.A., Acerinox Europa, N.A.S. (North American Stainless) and Columbus Stainless PTY LTD. In addition, the assessment was carried out in six of the main commercial companies (Germany, Italy, Sweden, France, the United Kingdom and Poland).

The results of the assessments and review and the action plans recommended in view of the weaknesses detected were presented to the Director of the Audit Department, the Senior Management and the Audit Committee. The Plan is monitored and the impact that the identified weaknesses may have on financial information was analysed.

15. A description of the supervision of the SCIIF conducted by the Audit Committee.

The Audit Committee's duties include supervision of the effectiveness of internal control in Acerinox S.A. and its group of companies. These duties are performed by the Corporate Internal Audit Department. Throughout last year, the Audit Committee held nine meetings which enabled the Annual Plan to be approved and thoroughly monitored. These tasks were carried out by the Corporate Internal Audit Department, providing a detailed description of the performance and status of the SCIIF monitoring process, in which the Department acted as auditor.

Both the assessments and the Action Plans of the audits carried out by the Internal Audit Department were reviewed by members of the Audit Committee who, in turn, assessed the weaknesses identified and the proposed Action Plans to amend these weaknesses.

In addition, the Internal Audit Department holds regular meetings with Senior Management in order to communicate the performance and status of the Annual Plan, as well as other duties assigned to the Department.

16. An explanation whether the SCIIF issued to the markets has been subject to review by an external auditor, who should be included in the corresponding report by the organization. In the event that no external auditor was assigned this duty, an explanation of reasons for this decision should be given.

The review of the description of the SCIIF was conducted in accordance with the draft version of the Action Plan of 28th October 2011, published by the representative corporations of the auditors.

In addition, the Spanish Institute of Sworn Account Censors, in their Circulars dated 25th January, 2012 (Circular E01/2012) and 20th February, 2013 (Circular E03/2013), stated certain additional considerations on the same topic, taking the abovementioned procedures into consideration.