



**REPORT ON THE AMENDMENTS
TO THE ARTICLES OF
ASSOCIATION OF ACERINOX, S.A.**

Madrid, 27 July 2020

REPORT PREPARED BY THE DIRECTORS OF ACERINOX, S.A., FOR THE PURPOSES SET FORTH IN ARTICLE 286 OF THE SPANISH COMPANIES ACT, ON THE PROPOSAL TO AMEND THE ARTICLES OF ASSOCIATION INCLUDED UNDER THE FOURTEENTH ITEM ON THE AGENDA OF THE GENERAL SHAREHOLDERS' MEETING TO BE HELD ON FIRST CALL ON 21 OCTOBER 2020, AND ON SECOND CALL ON 22 OCTOBER 2020.

Text of the Fourteenth item on the Agenda:

Amendment of the Company's Articles of Association for their adaptation to the holding of General Shareholders' Meetings with telematic assistance and other modifications of the agenda. The articles proposed for amendment are as follows:

- Article 8. **Rights conferred by the shares.**
- Article 14. **Attendance at Meetings and Representation.**
- Article 17. **Minutes.**
- Article 17.bis. **Attendance at the General Shareholders' Meeting via telematic means.** (newly created article)

JUSTIFICATION FOR THE PROPOSAL

At its meeting held on 27 July 2020, the Board of Directors of ACERINOX, S.A. resolved to submit to the General Shareholders' Meeting, under the Fourteenth Item on the Agenda, an amendment of the Articles of Association with the main aim of including telematic assistance at the Shareholders' Meetings, as well as a more appropriate wording.

Firstly, the reason for the amendment of each article proposed is explained, comparing in two columns the previous wording and the proposed new wording, where the text to be deleted is crossed out and the text to be added is underlined.

In the final part of this report the amended articles are drafted and worded should the General Shareholders' Meeting approve the Amendments.

PROPOSED AMENDMENTS

First.- Amendment of Article 8 of the Articles of Association corresponding to Rights conferred by the shares.

This amendment to the Articles of Association shall be used to delete the third paragraph, since it is already included in Article 304.2 of the Corporate Enterprises Act.

It is proposed that Article 8 of the Articles of Association be modified in accordance with the text included in the right column. In the left column, the text to be deleted is crossed out:

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(Free translation from the original in Spanish. In the event of discrepancy, the Spanish-language version prevails).

| Previous Wording | Proposed New Wording |
|---|--|
| <p>Article 8. Rights conferred by the shares.</p> <p>1. Each share confers its holder the rights set out in the Law, and, in particular, the right to participate in the distribution of company profits and assets resulting from liquidation; preferential subscription rights to new shares or bonds convertible into shares; the right to attend and vote at General Meetings, the right to challenge company resolutions, and the right to information.</p> <p>2. When deciding upon the capital increase at the General Meeting, and in cases where the Company's interests so require, it may be agreed to fully or partially forfeit the preferential subscription rights. To validate this agreement, there must be strict compliance with the stipulations of the applicable Law.</p> <p>3. There will be no preferential rights when the capital increase is due to the take-over of another company, or of all or part of the equity split off from the other company, or to the conversion of bonds into shares.</p> | <p>Article 8. Rights conferred by the shares.</p> <p>1. Each share confers its holder the rights set out in the Law, and, in particular, the right to participate in the distribution of company profits and assets resulting from liquidation; preferential subscription rights to new shares or bonds convertible into shares; the right to attend and vote at General Meetings, the right to challenge company resolutions, and the right to information.</p> <p>2. When deciding upon the capital increase at the General Meeting, and in cases where the Company's interests so require, it may be agreed to fully or partially forfeit the preferential subscription rights. To validate this agreement, there must be strict compliance with the stipulations of the applicable Law.</p> |

Second.- Amendment of Article 14 of the Articles of Association corresponding to Attendance at Meetings and Representation

The methods of communication for shareholders to appoint their representatives, as well as the method of notifying the Company of the foregoing, are broadened.

It is proposed that Article 14 of the Articles of Association be modified in accordance with the text included in the right column: "Proposed New Wording", underlining the proposed new text:

| Previous Wording | Proposed New Wording |
|---|---|
| <p>Article 14. Attendance at Meetings and Representation</p> <p>1. Attendance</p> <p>Shareholders who own or represent a minimum of three hundred shares may attend the General Shareholders' Meetings. To exercise one's right to attend meetings and cast a vote, it will be legitimate to consolidate shares.</p> <p>In order to attend the Meetings, it is imperative that the shares are registered with the corresponding Securities Depository at least five days before the date on which the Meeting is to be held.</p> <p>2. Attendance by Proxy</p> | <p>Article 14. Attendance at Meetings and Representation</p> <p>1. Attendance.</p> <p>Shareholders who own or represent a minimum of three hundred shares may attend the General Shareholders' Meetings. To exercise one's right to attend meetings and cast a vote, it will be legitimate to consolidate shares.</p> <p>In order to attend the Meetings, it is imperative that the shares are registered with the corresponding Securities Depository at least five days before the date on which the Meeting is to be held.</p> <p>2. Attendance by Proxy.</p> |

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| <p>All shareholders having attendance rights may be represented at the General Meeting by another individual, who does not have to be a shareholder.</p> <p>The powers of representation must be conferred for each meeting.</p> <p>The appointment of the representative by the shareholder and the proxy notice to the Company may be done in writing or by electronic means.</p> | <p>All shareholders having attendance rights may be represented at the General Meeting by another individual, who does not have to be a shareholder.</p> <p>The powers of representation must be conferred <u>in writing</u> for each Meeting.</p> <p>The appointment of the representative by the shareholder and the notification of the appointment to the Company may be made by <u>postal correspondence</u>, by electronic means or by any other means of remote communication, provided that the identity of the subject participating and the security of the electronic communications are duly <u>guaranteed</u>.</p> |
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Third.- Amendment of Article 17 of the Articles of Association corresponding to Minutes

A third paragraph is included referring to the possibility of considering the Minutes of the Notary to be the Minutes of the Meeting should the Company request the presence of a Notary at the General Meeting.

It is proposed that Article 17 of the Articles of Association be modified in accordance with the text included in the right column: "Proposed New Wording", underlining the proposed new text in the third paragraph:

| Previous Wording | Proposed New Wording |
|---|--|
| <p>Article 17. Minutes.</p> <p>The deliberations and resolutions of the ordinary or extraordinary General Shareholders' Meeting shall be recorded in the Minutes, which shall be approved by the Shareholders after the meeting. Failing this, the Minutes shall, within a period of 15 days, be approved by the Chairman and two comptrollers, with one being named by the majority and the other by the minority.</p> <p>The minutes must be filed in the corresponding book and shall be signed by those persons acting as Chairman and Secretary if the minutes have been approved by the Shareholders' Meeting itself. Alternatively, they shall be signed by the Chairman and the two comptrollers who have approved them.</p> | <p>Article 17. Minutes.</p> <p>The deliberations and resolutions of the ordinary or extraordinary General Shareholders' Meeting shall be recorded in the Minutes, which shall be approved by the Shareholders after the meeting. Failing this, the Minutes shall, within a period of 15 days, be approved by the Chairman and two comptrollers, with one being named by the majority and the other by the minority.</p> <p>The minutes must be filed in the corresponding book and shall be signed by those persons acting as Chairman and Secretary if the minutes have been approved by the Shareholders' Meeting itself. Alternatively, they shall be signed by the Chairman and the two comptrollers who have approved them.</p> <p><u>In the event that the General Shareholders' Meeting was held in the presence of a notary, the notarial minutes will be considered the minutes of the meeting and do not need to be approved.</u></p> |

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Fourth.- A new Article, Article 17.bis, called **Attendance at the General Shareholders' Meeting via telematic means** is created in the Articles of Association.

The purpose of this Article is to include the possibility of holding Shareholders' Meetings by telematic means in the Articles of Association.

It is proposed that Article 17.bis of the Articles of Association be created in accordance with the text included in the right column: "Proposed Wording", underlining the proposed new text:

| Previous Wording | Proposed Wording |
|------------------|--|
| | <p>Article 17.bis. <u>Attendance at the General Shareholders' Meeting via telematic means.</u></p> <p><u>The Company may authorise attendance at the General Shareholders' Meeting by telematic and simultaneous means that duly guarantee the identity of the subject and the remote electronic voting during the Meeting, provided that the state of the technology permits it and the Board of Directors agrees. In this case, the call notice shall establish the deadlines, forms and methods of exercising the shareholders' rights envisaged by the Board of Directors to enable the General Shareholders' Meeting to proceed in an orderly manner.</u></p> <p><u>The Regulation for the General Meeting of Shareholders may empower the Board of Directors to regulate, in accordance with the law and the Articles of Association, all necessary procedural aspects.</u></p> |

THE FOLLOWING ARTICLES OF THE ARTICLES OF ASSOCIATION, FOR WHICH AMENDMENTS ARE PROPOSED, ONCE APPROVED BY THE GENERAL MEETING, WILL BE WORDED AS FOLLOWS:

Article 8. Rights conferred by the shares.

1. Each share confers its holder the rights set out in the Law, and, in particular, the right to participate in the distribution of company profits and assets resulting from liquidation; preferential subscription rights to new shares or bonds convertible into shares; the right to attend and vote at General Meetings, the right to challenge company resolutions, and the right to information.
2. When deciding upon the capital increase at the General Meeting, and in cases where the Company's interests so require, it may be agreed to fully or partially forfeit the preferential subscription rights. To validate this agreement, there must be strict compliance with the stipulations of the applicable Law.

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Article 14. Attendance at Meetings and Representation

1. Attendance.

Shareholders who own or represent a minimum of three hundred shares may attend the General Shareholders' Meetings. To exercise one's right to attend meetings and cast a vote, it will be legitimate to consolidate shares.

In order to attend the Meetings, it is imperative that the shares are registered with the corresponding Securities Depository at least five days before the date on which the Meeting is to be held.

2. Attendance by Proxy.

All shareholders having attendance rights may be represented at the General Meeting by another individual, who does not have to be a shareholder.

The powers of representation must be conferred in writing for each Meeting.

The appointment of the representative by the shareholder and the notification of the appointment to the Company may be made by postal correspondence, by electronic means or by any other means of remote communication, provided that the identity of the subject participating and the security of the electronic communications are duly guaranteed.

Article 17. Minutes.

The deliberations and resolutions of the ordinary or extraordinary General Shareholders' Meeting shall be recorded in the Minutes, which shall be approved by the Shareholders after the meeting. Failing this, the Minutes shall, within a period of 15 days, be approved by the Chairman and two comptrollers, with one being named by the majority and the other by the minority.

The minutes must be filed in the corresponding book and shall be signed by those persons acting as Chairman and Secretary if the minutes have been approved by the Shareholders' Meeting itself. Alternatively, they shall be signed by the Chairman and the two comptrollers who have approved them.

In the event that the General Shareholders' Meeting was held in the presence of a notary, the notarial minutes will be considered the minutes of the meeting and do not need to be approved".

Article 17.bis. Attendance at the General Shareholders' Meeting via telematic means.

The Company may authorise attendance at the General Shareholders' Meeting by telematic and simultaneous means that duly guarantee the identity of the subject and the remote electronic voting during the Meeting, provided that the state of the technology permits it and the Board of Directors agrees. In this case, the call notice shall establish the deadlines, forms and methods of exercising the shareholders' rights envisaged by the Board of Directors to enable the General Shareholders' Meeting to proceed in an orderly manner.

The Regulation for the General Meeting of Shareholders may empower the Board of Directors to regulate, in accordance with the law and the Articles of Association, all necessary procedural aspects.

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