



**PROPOSED RESOLUTIONS OF THE
BOARD OF DIRECTORS TO BE
SUBMITTED TO THE ORDINARY
GENERAL SHAREHOLDERS' MEETING
OF ACERINOX, S.A. TO BE HELD ON
FIRST CALL ON 14 APRIL 2021, AND
ON SECOND CALL ON 15 APRIL 2021.**

Madrid, 25 February 2021

PROPOSED RESOLUTIONS OF THE BOARD OF DIRECTORS TO BE SUBMITTED TO THE ORDINARY GENERAL SHAREHOLDERS' MEETING OF ACERINOX, S.A. TO BE HELD ON FIRST CALL ON 14 APRIL 2021, AND ON SECOND CALL ON 15 OCTOBER 2021.

Issues for Approval:

First Item on the Agenda: “Review and approval, where appropriate, of the Annual Accounts (Balance Sheet, Statement of Profit or Loss, Statement of Changes in Net Equity for the Year, Cash Flow and Annual Report) and the Management Reports of ACERINOX, S.A. and its Consolidated Group, for the financial year ended 31 December 2020.”

In relation to this Item on the Agenda of the General Shareholders' Meeting, the Board of Directors proposes the following resolution:

“Approval of the Annual Accounts (Balance Sheet, Statement of Profit or Loss, Statement of Changes in Net Equity for the Year, Cash Flow and Annual Report) and the Management Report of ACERINOX, S.A., as well as the Annual Accounts and Management Report of its Consolidated Group for the financial year ended 31 December 2020.

The individual and consolidated Annual Accounts, together with their respective management reports, have been audited by the Company's auditors.”

Second Item on the Agenda.- “Review and approval, where appropriate, of the Consolidated Statement of Non-Financial Information for 2020” in accordance with the provisions of Law 11/2018 of 28 December.

In relation to this Item on the Agenda of the General Shareholders' Meeting, the Board of Directors proposes the following resolution:

“Approval of the Consolidated Statement of Non-Financial Information for 2020, in accordance with the provisions of Law 11/2018, of 28 December.

Third Item on the Agenda: “Approval, where appropriate, of the proposed allocation of results of ACERINOX, S.A. for the financial year ended 31 December 2020.”

In relation to this Item on the Agenda of the General Meeting, the Board of Directors proposes the following resolution:

“Approval of the following proposed allocation of results of ACERINOX, S.A. for the year ended 31 December 2020”.

Profit for the year	655,351,828 Euros
<u>Distribution to:</u>		
- Dividends.....	.	135,273,096 Euros
- Voluntary reserves.....		520,078,732 Euros”.

Fourth Item on the Agenda: “Approval, where appropriate, of the management of the Board of Directors for the financial year ended 31 December 2020.”

In relation to this Item on the Agenda of the General Shareholders' Meeting, the Board of Directors proposes the following resolution:

“Approval of the management of the Board of Directors of ACERINOX, S.A. for the financial year ended 31 December 2020.”

Fifth Item on the Agenda: “Approval, where appropriate, of the distribution of a dividend amounting to 0.50 euros per share to be paid on 3 June 2021.”

In relation to this Item on the Agenda of the General Meeting, the Board of Directors proposes the following resolution:

“Approval of the distribution of a dividend amounting to 0.50 euros for each of the 270,546,193 shares in circulation (with the limits of article 148 of the Corporation Law on existing Treasury shares at the time of the payment) amounting to 135,273,096.50 euros. This dividend will be paid on 3 June 2021.”

Sixth Item on the Agenda: “Approval, where appropriate, of the Remuneration Policy of Directors for the years 2021, 2022 and 2023, in accordance with the provisions of article 529 novodecies of the Law on Capital Companies”.

In relation to the Sixth Item on the Agenda of the General Shareholders' Meeting, the Board of Directors proposes the following resolution

“In accordance with the provisions of Articles 529 novodecies and concordants of the Law on Capital Companies (LSC), 16.I) and 25.3 of the Bylaws and Articles 6.1.h) and 12.I.F. 6. Regulations of the Board of Directors of Acerinox S.A., on a proposal from the Board of Directors of Acerinox S.A., and after report of the Appointments, Remuneration and Corporate Governance Committee, the following Remuneration Policy of Directors is submitted for approval by the General Shareholders' Meeting:

“POLICY FOR THE REMUNERATION OF ACERINOX, S.A. DIRECTORS

The Ordinary General Shareholders' Meeting held in 2018 approved the Remuneration Policy, which was applied during 2018 and the following two years.

This Policy presented an essential new element, which was to modify the parameters and amounts applicable to the remuneration of Executive Directors, following the recommendations of the Unified Good Governance Code and the trends of the most influential proxy advisers.

The rest of the Directors' remuneration has not undergone any change in recent years, neither in the remuneration items nor in the amounts thereof, which have remained unchanged since 2011. Only in past years was it decided that those chairing the various committees would receive double the attendance fees when acting in that capacity. The increase in remuneration paid to non-executive directors as a whole, therefore, is due mainly to greater corporate activity, with the number of occasions increasing since 2011 on which not only the Board of Directors itself but also the various Committees have met

as a result of the greater demands of managing a multinational company and the more demanding standards set by regulatory bodies and the applicable regulations.

The Appointments and Remuneration Committee has carried out comparative studies of the remuneration system of various listed companies based on the publications of the Spanish National Securities Market Commission and private consultants, taking into account that there may be scope for updating the remuneration system not only for executive directors but in general. However, the existence of draft legislation that could - as has been the case - entail a conceptual revision of the remuneration system of companies' governing bodies, meant that it was not advisable to undertake a transformation until it was possible to know how the matter would be regulated, with an outcome in this connection likely in 2021. This prudence was coupled with the belief that the system in place has met the needs of the company and is well supported by shareholders and proxy advisers, as evidenced by the historical record of votes against both the Remuneration Report and the Policy itself.

Table 1 - Remuneration Report - votes against

Year	Percentage
2017	1.0%
2018	1.0%
2019	2%

Table 2 - Remuneration Policy- votes against

Year	Percentage
2016 & 2017	11.4%
2018-2019-2020	2.1%

Added to the aforementioned is the fact that 2020 has been a bad year for debating directors' remuneration. In a context dominated by uncertainties and in which, on occasions, it has been necessary - although admittedly less in the case of Acerinox than in other companies - to implement efforts and austerity, it seemed reasonable to extend the remuneration freeze policy imposed by the Board in 2011 for one more year, while waiting for times more conducive to such reflections.

The Policy that is now submitted to the General Shareholders' Meeting is a continuation thereof and, in principle, has a three-year duration. However, it is expressly established that if, once the new legal provisions have been assimilated, it was concluded that another system would be capable of better serving the company's interests and it is advisable to bring forward its implementation, this concern will be shared with the shareholders so that they may decide whether or not it will remain in force.

I.- Principles of the Remuneration Policy

This Policy for the Remuneration of Directors draws on and is based on the following general principles:

- (a) Adequacy in attracting and retaining Directors of the desired profile and remunerating the dedication, qualifications and responsibility that the position requires from the Directors, without compromising the independence of judgement of the Non-Executive Directors.
- (b) Reasonable proportionality with the importance of the Company, the economic situation at any given time and the market standards of comparable companies, as well as their adjustment to criteria of moderation and adequacy with the Company's results.
- (c) A focus on promoting the long-term profitability and sustainability of the Company, incorporating the necessary precautions to avoid excessive risk-taking and the rewarding of unfavourable results.
- (d) Remuneration linked to the Company's results shall take into account any qualified opinions in the external auditor's report that reduce such results.
- (e) The remuneration system shall maintain a balance between a fixed annual remuneration, which should maintain the director's interest in that position and require sufficient dedication from him/her, and a remuneration for attendance, which ensures the director's presence in the forum of which he/she is a member.
- (f) In determining the remuneration, the conditions of employment and remuneration of the Company's employees are taken into account. In this regard, the remuneration of the workforce of the different companies of Acerinox, S.A. is not governed by a decision of the Board but by the collective bargaining agreements freely negotiated by the workers or their representatives, which are in the upper ranges of the average salaries of the different regions, as is usual in the industrial sector and unlike the rest of the sectors of activity.

II.- Components of the Directors' remuneration

a. Remuneration of directors

For 2021, and for 2022 and 2023 unless otherwise decided by the General Shareholder's Meeting, non-executive directors will receive the following remuneration.

- a) Directors will earn a fixed annual remuneration of EUR 60,615, paid in equal monthly instalments and apportionable by days in the event that their functions are not performed throughout the year. The fixed remuneration will be payable monthly in arrears. The fixed annual remuneration of the Chairman of the Board of Directors will be EUR 121,230.
- b) This remuneration will be complemented by the payment of attendance fees, amounting to EUR 1,856, which will only be received by those attending each session in person or remotely.

- c) Directors who are the Chair or ordinary members of the Board Committees shall also be entitled to the attendance fees indicated, which will be the same amount they are allotted for being on the Board, and under the same conditions.
- d) The attendance fees paid to the Chairman of the Board, and the Chairs of the Committees, when acting in this capacity, shall be twice that of the remaining members of the body and, therefore, EUR 3,712.

b. *Remuneration of Directors for the performance of executive functions*

Apart from the variability established for directors resulting from their attendance - or not - to Board and Committee meetings, executive directors are entitled to the following variable remuneration. Currently, only the Chief Executive Officer receives a variable remuneration:

i) Fixed remuneration:

The annual fixed remuneration of the Chief Executive Officer is EUR 600,000.

ii) Target bonus:

It is a percentage of the fixed salary (EUR 600,000) consisting of 100% of this salary if the targets are fully met, or up to 250% of the fixed salary if the targets are improved by more than 130%. For any percentage that exceeds the target, the target bonus increase is calculated by linear interpolation.

Likewise, if the targets are not achieved, the target bonus will decrease from 100% until it is completely nullified if the decrease leads to less than 70% being achieved.

This bonus is accrued annually and will be paid when the Board of Directors has verified the actual situation of the parameters justifying the accrual.

iii) Bonus pool:

This is a maximum annual amount to be distributed among all members of senior management and is calculated as a percentage of the consolidated group's EBITDA. Initially it was 0.425% and for 2021 it will be 0.547% given the recent incorporations into this group.

This bonus pool will be distributed among the beneficiaries on a weighted basis and according to the individual results obtained in the target bonus. The sum of the amounts to be paid to all beneficiaries is capped and, regardless of the EBITDA, may not exceed 250% of the sum of the target bonus.

As in the previous case, the amounts due as a result of the calculation of the bonus pool may not be distributed until the Board has verified the actual situation of the parameters that support the calculation.

iv) Long-Term Incentive (LTI):

The LTI is the free awarding of Acerinox, S.A. shares accrued over a three-year generation process. The duration of the plan has been selected with the intention of rewarding the generation of wealth in the long term and so it can be compared with the profits that the Acerinox shareholder experiences during this period.

As in the above cases, the Executive Director shares this system with the other members of Senior Management.

The LTI is structured in Plans, each with three-year cycles. At the end of each cycle, a calculation is made and paid - or not - as appropriate. The LTI enables the beneficiary to receive a value between (0)% and 100% of their remuneration in shares, with the current Chief Executive Officer's target being 50%.

The exact amount depends on the result of two metrics:

- The first, with a weighting of 75%, is calculated based on the Total Shareholder Return (TSR) compared to the other non-financial IBEX 35 companies over that period. The TSR is the sum of the dividends distributed, dividend-like transactions plus the positive or negative difference in the share price. Depending on the final ranking, entitlement to the TSR accrues or not.
- The second metric, with a weighting of 25%, compares the Return on Equity (ROE) of Acerinox with a global figure composed of seven other companies dedicated to the same type of activity, and selected for publishing regular and reliable economic data.

For the final calculation of the shares to be awarded, the weighted value of the average share price in the 30 trading days prior to the start of the Plan is used - which was EUR 11.55 in the First Plan and EUR 8.95 in the Second Plan - also ensuring that the increase in value during the cycle is an additional benefit for the executive and its decrease is a reduction in the amount thereof.

The Company may demand the return of the shares that have been delivered under the corresponding Plan or even offset such awarding against other remuneration of any nature that the beneficiary is entitled to receive if, during the two years following the Plan's Settlement Date, in the opinion of the Company's Board of Directors, any of the following events occur:

- Group losses in the two years following the Termination Date of the cycle as a result of negligent management during the years included in the Measurement Period.
- Restatement of the Company's financial statements, when deemed necessary by the external auditors, except where this is the result of a change in accounting standards.

v) Remuneration in kind

The Chief Executive Officer, currently the only Executive Director at the company, has an accident insurance policy with compensation of EUR 2 million, a health insurance policy with a reputable company for himself, his spouse and his first-degree descendants, and a vehicle for the performance of his duties, which may also be used for personal reasons when necessary.

The Chief Executive Officer benefits from the same life insurance as the rest of the Acerinox, S.A. workforce and is covered by the D & O policy that this company has taken out for all its executives and directors.

vi) Retention Plan or Social Welfare System

The company will make contributions to a Social Welfare System that will enable the Executive Director who retires while working at Acerinox to access a continuous, lifetime pension, supplementary to the social security pension so that, when added to the amount of the pensions recognised by the Spanish Social Security system or an equivalent or similar body abroad - or the total sum of the aforementioned- the Executive Director shall obtain an annual amount equivalent to 75% of the pensionable salary. The system also provides for a pension for his spouse in the event of death and similar cover in the event of disability.

The Executive Director shall not be entitled to the funds accrued or constituted in the event of termination of the executive director's relationship as a result of his own resignation, or as a result of a serious and culpable breach. A severable termination of the relationship shall be deemed to exist if any of the following circumstances arise:

- The Chief Executive Officer's contract is terminated at the company's request for a reason other than a serious and culpable breach.
- The Chief Executive Officer's term of office expires without renewal.
- When, without completing his term of office, he ceases to be the Chief Executive Officer for reasons other than termination of the relationship with the company or a serious and culpable breach, even if he is offered a regular position or a senior management position, unless the change is by mutual agreement.

In 2020 the Company contributed EUR 398,696 to this System, which is fully externalised, and it is expected that the 2021 contribution, which will be set by an external insurance company, will be similar.

vii) Attendance fees and allocations of other Boards

Executive directors shall not receive attendance fees from subsidiaries or companies held by Acerinox, S.A., but they may receive attendance fees from the Board of Directors of Acerinox, S.A. and its Committees. In order to form part of the management body of third companies, Executive Directors require authorisation from the Board of Directors.

viii) No non-compete commitments or settlement of other items that may give rise to payments to the director following termination of the relationship

Non-executive directors shall not receive any amount as a result of their dismissal or the termination of the relationship, even if this occurs before the end of their term of office.

Executive directors shall not receive any amount in the form of a non-compete agreement or similar item after termination of their services to the Acerinox Group.

III.- Why Acerinox, S.A believes that the variable remuneration established aids sustainability and the corporate strategy

With reference to the Chief Executive Officer, as the issue has already been discussed in relation to the other directors, the system helps in the following manner:

a) Annual bonus. The annual bonus is accrued according to certain parameters which, as reported favourably by the Appointments, Remuneration and Corporate Governance Committee, reflect, in the opinion of the Board, the performance of the company in the medium- and long-term.

The annual metrics selected by the Board for the executive directors can be divided into four clearly defined groups:

- Economic performance measures: EBITDA, profit/loss after tax, and debt.
- Performance measures on certain objectives designated by the company: for example, the outcome of the excellence plans, which measure the improvement process and the adoption of best practices.
- Direct ESG measures such as workplace safety, emissions savings, energy savings, increased recycling and waste reduction.
- Qualitative developments, including parameters that are not directly economic.

The specific items and their weighting will be reported in the Annual Corporate Governance Report.

b) Remuneration in shares. As explained above, the long-term incentive payable in shares combines, in its two metrics, two shareholder decisions. The first - TSR or Total Shareholder Return - why does a potential shareholder buy shares in a steel company, and the second - ROE or Return on Equity - having decided to invest in steel, why have they chosen Acerinox and not another similar company.

Both metrics align the interest of the shareholder with that of the executive directors, as the right to the payment in shares will only arise if the shareholders have previously obtained a similar and proportional benefit.

The vesting period for this incentive is three years, as this is the measurement period. This incentive is an endeavour to pay remuneration based on share price rises and falls that are not intended to endure over time or are due to the normal ups and downs of any listed market.

The contracts of the executive directors include a claw back clause that would allow the company to reverse the shares paid if subsequent events show that the calculation of the metrics was flawed or impaired by events that have led to a correction in the calculation basis.

IV-. Duration of contracts, notice periods, compensation and social welfare measures

Non-executive directors are not bound by a contract but only by their appointment to the position and their subsequent acceptance. Early dismissal does not give rise to any rights and there is no notice period.

Executive directors are bound by a contract, the duration of which may not exceed the term of office they hold or the Board's wish to revoke the appointment.

In the event of termination of the relationship by the Chief Executive Officer, his contract provides for a notice period of at least three months in order to be able to organise his succession appropriately.

In the event of termination by the Board of Directors without serious and culpable cause, the Chief Executive Officer will be entitled to a severance payment equal to two years' remuneration (excluding salaries in kind and Long-Term Incentive payments) and may also mobilise in his favour the mathematical provision made in his favour in the Social Welfare Plan for the part exceeding this amount, in accordance with the terms of his contract.

In the event of termination of the Chief Executive Officer's relationship with the company for reasons other than a change of control implying a substantial change in working conditions, the Chief Executive Officer may not receive a severance payment, nor may the mathematical provision of the Social Welfare Plan originally set up in his favour be mobilised.

V.- Procedure for preparation of this policy

The preparation and accuracy of the section of this policy that regulates the remuneration system for executive directors was the result of a long process in which the Appointments, Remuneration and Corporate Governance Committee was assisted by the specialist consultancy firm *Willis Towers Watson*.

The scope of this work included not only the executive directors, but also generally the entire Senior Management team. The working meetings lasted throughout 2017 and finally, in 2018, the Board of Directors approved the Senior Management Remuneration Regulation, which also covers the unique situation of executive directors. Neither the Chief Executive Officer nor the Secretary of the Board were present at the final stage of deliberation and decision-making.

The Policy for the Remuneration of Acerinox directors approved by the 2018 Ordinary General Shareholders' Meeting includes the remuneration system for executive directors. Immediately after the aforementioned General Shareholders' Meeting, the Board renewed the appointment of the only Executive Director, the Chief Executive Officer, and his contract was also approved pursuant to the Capital Companies Act.

VI.- Maximum amount of remuneration to be paid by ACERINOX, S.A to its directors

a) To directors.

In their condition as directors: EUR 60,615 / year.

Chairman of the Board: EUR 121,230 / year.

Attendance fees: EUR 1,855 for attendance at Board or Committee meetings.

Attendance fees for the Chairs: EUR 3,712.

Maximum total remuneration of the Board of Directors, without taking into account the remuneration of the Chief Executive Officer: EUR 2,000,000.

This figure represents an increase of 13% (annual increase of 3.25%) over the budget approved in 2018 (1,750,000), and which has never been reached. It should be noted

that in 2018 there were three committees (currently four) and the number of meetings in general has increased from 28 in 2018 to 41 in 2020.

b) Remuneration of the Chief Executive Officer in his capacity as company executive:

-Basic salary:	EUR 600,000
-Theoretical maximum bonus:	EUR 1,500,000
-Theoretical Long-Term Incentive:	EUR 600,000
-Salary in kind	EUR 30,000

Theoretical maximum remuneration: EUR 2,730,000. This figure does not include any severance payments that may arise.

c) Contribution to the Social Welfare Plan: EUR 398,696

VII.- Board of Directors' conclusions on the Policy

The amendment to the remuneration system in 2018 incorporated a large variability in the system for executive directors, who are subject to a system in which the majority of their remuneration is variable.

In fact, the first variable remuneration package consists of a bonus ranging from 0% to 100% of the basic salary and up to 250% based on metrics such as EBITDA, Net Debt and occupational health and safety. These metrics are defined by the Board of Directors, details of which can be found in the Annual Remuneration Report. The Board of Directors must define the various weightings of the bonus components according to the targets that, in each annual period, are considered to be of primary focus. It should be noted that a number of the parameters, most significantly those regarding Health and Safety and Emissions, are set according to the Group's medium-term sustainability objectives.

The second remuneration package is the Long-Term Incentive, which describes an almost perfect parallelism between executive directors' earnings and shareholder returns. Firstly, by comparing the evolution of share prices over a period of three calendar years between Acerinox shares and those of the other non-financial companies on the Ibex 35 and, secondly, by establishing a very carefully studied benchmarking, also over a three-year period, between the ROE of Acerinox and that of a group of companies also dedicated to the manufacture and sale of steel (and which publish results, i.e. companies listed on stock exchanges).

Both systems, the annual bonus and the three-year Long-Term Incentive try to reconcile the antinomy occasionally existing between short-term and long-term performance. Naturally, the claw back system, also a new feature introduced in 2018, responds not only to the recommendations in force but also to the need to be able to verify the robustness of the metrics used for the measurement.

When it comes to Non-Executive Directors, the workload of the Committee Chairs was already considerable, but the intensification of corporate activity- with ever-increasing requirements and responsibilities - justifies an increase in the compensation received by Committee Chairs.

However, the amount of the attendance fees and the ratio thereof to the fixed remuneration does not support the increase in meetings, instead the amount thereof tends only to compensate for the inconvenience and expenses that attendance may generate.

On the whole, the Board considers that the current system has made it possible to attract professionals of high professional, academic and human qualities to the Board of Directors, and has made it possible to demand increasing workloads and responsibilities, while at the same time guaranteeing that executive directors are not forced to adopt risky and short-term decisions, since they do not have a significant advantage therein, and at the same time it favours the supervision of their work by the rest of the body to which they belong.

VIII.- Duration of this Policy

This policy shall apply for 2021, 2022 and 2023 if the General Shareholders' Meeting does not decide to replace it before it expires.

Upon approving this policy, the General Shareholders' Meeting validates the provisional payments made to members of the Board of Directors during the first months of 2021."

Seventh Item on the Agenda: "Appointment, where appropriate, of the Directors:

The Board of Directors at the proposal of the Board of Directors itself and following a report from the Appointments, Remuneration and Corporate Governance Committee In relation to Item Seventh one on the Agenda of the General Shareholders' Meeting proposed the following resolution:

7.1. Re-appointment as Director of ACERINOX, S.A. for a period of four years as established in the Articles of Association to Mr. Tomás Hevia Armengol that he would have to cease because the statutory deadline for which he was appointed to the General Meeting held on 1 June 2017 and is re-appointed Mr. Hevia Armengol is appointed as Proprietary Director".

The Board of Directors at the proposal of the Appointments, Remuneration and Corporate Governance Committee In relation to Item Seventh two on the Agenda of the General Shareholders' Meeting proposed the following resolution

7.2. Re-appointment as Director of ACERINOX, S.A. for a period of four years as established in the Articles of Association to Ms. Laura González Molero that she would have to cease because the statutory deadline for which she was appointed to the General Meeting held on 1 June 2017 and is re-appointed Ms. Laura González Molero is appointed as Independent Director

The Board of Directors at the proposal of the Appointments, Remuneration and Corporate Governance Committee In relation to Item Seventh three on the Agenda of the General Shareholders' Meeting proposed the following resolution

7.3. Re-appointment as Director of ACERINOX, S.A. for a period of four years as established in the Articles of Association to Ms. Rosa María García Piñeiro that she would have to cease because the statutory deadline for which she was appointed to the General Meeting held on 1 June 2017 and is re-appointed Ms. Rosa María García Piñeiro is appointed as Independent Director

The Board of Directors at the proposal of the Appointments, Remuneration and Corporate Governance Committee In relation to Item Seventh four on the Agenda of the General Shareholders' Meeting proposed the following resolution

7.4. Re-appointment as Director of ACERINOX, S.A. for a period of four years as established in the Articles of Association to Ms. Marta Martínez Alonso that she would have to cease because the statutory deadline for which she was appointed to the General Meeting held on 1 June 2017 and is re-appointed Ms. Marta Martínez Alonso is appointed as Independent Director

Eighth Item on the Agenda: "Re-election of the Accounts Auditor, of both Acerinox, S.A. and its Consolidated Group, for the 2021 financial year."

In relation to this Item on the Agenda of the General Shareholders' Meeting, the Board of Directors proposes the following resolution:

"Appoint account auditors to carry out the review and legal audit of ACERINOX's financial statements, S.A. and its Consolidated Group, for the 2021 financial year, to the firm **"PricewaterhouseCoopers Auditores, S.L."** with Tax Identification Number .B-79031290 and with Official Registry of Accounting Auditors Number, S0242, empowering the Board of Directors of ACERINOX, S.A., to set the conditions and formalize the corresponding contract."

Ninth Item on the Agenda: "Delegation to the Board of Directors of the precise powers to issue, once or several times, within the maximum period of five years, bonds, debentures, convertible bonds, or other income securities fixed in any market, total amount of up to six hundred million euros. If the Company's interest so requires, the right of preferential subscription may be excluded by the Board of Directors but the sum of all shares with the preferential subscription right issued under this authorisation may not exceed 20% of the share capital at the time of this delegation. Leaving without effect the authorisation granted by the Company's Ordinary General Shareholders' Meeting held on 9 June 2016."

In relation to this Item on the Agenda of the General Shareholders' Meeting, the Board of Directors proposes the following resolution:

"Delegation to the Board of Directors of the precise powers to issue bonds, debentures and convertible bonds or other fixed income securities, in any market, as follows:

1. **Reach of delegation.**- The delegation to issue the titles referred to in this resolution will comprise, as broadly as required by law, the fixing of all the

elements and circumstances of each issuing (nominal value, issue type, redemption price, currency, representation, interest rate, depreciation, subordination clauses, issuing guarantees, place of the issuing, internal rules of the bondholders and appointment of the steward in case of being compulsory, admission to listing, etc.), the carrying out of all the necessary steps, including in accordance with the stock exchange rules that must be applied for the execution of any of the specific issues according to the terms of this delegation.

2. Bases and methods of conversion and/or exchanges in case of a special issue of convertible and/or exchangeable debentures - For the case of issuing convertible and/or exchangeable debentures and/or bonds, and for the purposes of the bases and methods of conversion and/or exchange, they will be fixed by the Board of Directors each time they are carried out, always according to the following criteria:

- a) The relation of conversion and/or exchange will be fixed and for this purpose, the convertible and/or exchangeable debentures and/or bonds will be assessed by their face value, while the corresponding shares will be at the fixed exchange set in the corresponding agreement of the Board of Directors, according to the closing value of the company shares, presented in the periods or reference periods which will be determined by the Board of Directors itself. In the case of convertible debentures, in no case may the price of the Company's shares be lower than the greater of (i) the arithmetical average of the closing price of the company shares in the continuous market during the period to be set by the Board of Directors, which shall not be more than three months or less than fifteen days immediately prior to the date of the Board Meeting in which, where exerting this authorisation, the issue of convertible debentures is agreed and (ii) the closing price of the company shares in the continuous market the day immediately before the holding of the Board, as stated in the previous section (i).
- b) In any case, according to article 415, sections 1 and 2 of the Capital Companies Act, the bonds value cannot be lower than their face value, and cannot be converted into shares if their face value is lower.
- c) In those cases in which, in applying the conversion and/or exchange equation applicable in each specific case, fractions of shares to be delivered to the owners of the convertible and/or exchangeable debentures and/or bonds would arise, they will be rounded up or down to the nearest whole number, and the excesses, if any, will be compensated in cash, according to the cash available.
- d) In any case, for each issue agreed by the Board of Directors in exerting the authorisation given by the General Shareholders' Meeting, an obligatory directors' report will be drawn up by the Board, and shall include the details of the specific bases and

methods of the conversion and/or exchange applicable to this issue, which shall be the subject of the corresponding report from the independent expert, according to article 414.2 of the Capital Companies Act.

2.1. Period for the conversion and/or exchange of the securities in the case of issuing convertible debentures.- The values issued in the exercise of this delegation can be converted and/or exchanged for shares at times to be determined by the Board in each of the issues agreed according to article 418 of the Capital Companies Act. Nevertheless, the maximum period for the conversion and/or exchange will be TEN (10) years, from the moment when the each issue is carried out.

2.2. Rights of the owners of the convertible securities.- The owners of the convertible and/or exchangeable values shall always have all rights observed by the legislation in force.

2.3. Capital increase and exclusion of the preemptive subscription right in convertible securities.- The delegation to issue convertible bonds and/or debentures upon newly issued shares shall include the following powers

- a) Increase the capital by the amount necessary to meet requests for conversion of newly issued shares. This power shall be in accordance with the total share capital increases agreed by the Board of Directors, including both those agreed in the exercise of the powers now delegated and those that may be delegated in accordance with other authorisations of the General Shareholders' Meeting, which will not exceed the limit of half of the current share capital provided for in article 297.1. b) of the Capital Companies Act.
- b) To exclude the exercise of the right of preferential subscription of shareholders or holders of convertible obligations where this is necessary or suitable for the social interest. In any case, the sum of all shares for which the preferential subscription right is excluded under this authorization may not exceed 20% of the capital at the time of delegation. In any case, if it were decided to exercise the power conferred on the abolition of the preferential subscription right, the Board of Directors would issue the mandatory report of directors, with the corresponding report of auditor of accounts under Article 511.3 of the LSC.
- c) Develop and specify the bases and methods for the conversion and/or exchange established in this agreement

2.4. Quotation of the securities.- When necessary, the Company shall request the admission to quotation/negotiation in official/unofficial secondary markets, domestic or foreign, of the convertible titles issued in the exercising of this delegation, with the Board of Directors being empowered to take any necessary or appropriate steps for their respective admission in the corresponding market.

- 2.5. Guarantee of issues of securities of acquired companies.- The Board of Directors is also empowered to guarantee on behalf of the Company, within the aforementioned limits, the new issues of values which, during the period of validity for this agreement, will be carried out by the companies belonging to the Group.

The maximum limit of this delegation is six hundred million euros, summed up by all the contracting modalities provided therein, and its period of exercise is five years. The issues covered thereby may be of one or more types. Also, as many issues as the Board of Directors deems convenient may be made, provided that the sum of all do not exceed the aforementioned figures. The present delegation of powers to the Board of Directors replaces that granted by the Company's General Shareholders' Meeting held on 9 June 2016."

Tenth Item on the Agenda: "Delegation to the Board of Directors of the precise powers to issue bonds, bonds, convertible bonds or other fixed income securities, in any market, for a total amount of up to one billion euros. This delegation does not include the power of the Board of Directors to exclude the right of preferential subscription."

"Delegation to the Board of Directors of the precise powers to issue bonds, debentures and convertible bonds or other fixed income securities, in any market, as follows:

1. Reach of delegation.- The delegation to issue the titles referred to in this resolution will comprise, as broadly as required by law, the fixing of all the elements and circumstances of each issuing (nominal value, issue type, redemption price, currency, representation, interest rate, depreciation, subordination clauses, issuing guarantees, place of the issuing, internal rules of the bondholders and appointment of the steward in case of being compulsory, admission to listing, etc.), the carrying out of all the necessary steps, including in accordance with the stock exchange rules that must be applied for the execution of any of the specific issues according to the terms of this delegation.

2. Bases and methods of conversion and/or exchanges in case of a special issue of convertible and/or exchangeable debentures - For the case of issuing convertible and/or exchangeable debentures and/or bonds, and for the purposes of the bases and methods of conversion and/or exchange, they will be fixed by the Board of Directors each time they are carried out, always according to the following criteria:

- a) The relation of conversion and/or exchange will be fixed and for this purpose, the convertible and/or exchangeable debentures and/or bonds will be assessed by their face value, while the corresponding shares will be at the fixed exchange set in the corresponding agreement of the Board of Directors, according to the closing value of the company shares, presented in the periods or reference periods which will be determined by the Board of Directors itself. In

the case of convertible debentures, in no case may the price of the Company's shares be lower than the greater of (i) the arithmetical average of the closing price of the company shares in the continuous market during the period to be set by the Board of Directors, which shall not be more than three months or less than fifteen days immediately prior to the date of the Board Meeting in which, where exerting this authorisation, the issue of convertible debentures is agreed and (ii) the closing price of the company shares in the continuous market the day immediately before the holding of the Board, as stated in the previous section (i).

- b) In any case, according to article 415, sections 1 and 2 of the Capital Companies Act, the bonds value cannot be lower than their face value, and cannot be converted into shares if their face value is lower.
- c) In those cases in which, in applying the conversion and/or exchange equation applicable in each specific case, fractions of shares to be delivered to the owners of the convertible and/or exchangeable debentures and/or bonds would arise, they will be rounded up or down to the nearest whole number, and the excesses, if any, will be compensated in cash, according to the cash available.
- d) In any case, for each issue agreed by the Board of Directors in exerting the authorisation given by the General Shareholders' Meeting, an obligatory directors' report will be drawn up by the Board, and shall include the details of the specific bases and methods of the conversion and/or exchange applicable to this issue, which shall be the subject of the corresponding report from the independent expert, according to article 414.2 of the Capital Companies Act.

- 2.1. Period for the conversion and/or exchange of the securities in the case of issuing convertible debentures.- The values issued in the exercise of this delegation can be converted and/or exchanged for shares at times to be determined by the Board in each of the issues agreed according to article 418 of the Capital Companies Act. Nevertheless, the maximum period for the conversion and/or exchange will be TEN (10) years, from the moment when the each issue is carried out.
- 2.2. Rights of the owners of the convertible securities.- The owners of the convertible and/or exchangeable values shall always have all rights observed by the legislation in force.
- 2.3. Capital increase and exclusion of the preemptive subscription right in convertible securities.- The delegation to issue convertible bonds and/or debentures upon newly issued shares shall include the following powers

- a) Increase the capital by the amount necessary to meet requests for conversion of newly issued shares. This power shall be in

accordance with the total share capital increases agreed by the Board of Directors, including both those agreed in the exercise of the powers now delegated and those that may be delegated in accordance with other authorisations of the General Shareholders' Meeting, which will not exceed the limit of half of the current share capital provided for in article 297.1. b) of the Capital Companies Act.

- b) Develop and specify the bases and methods for the conversion and/or exchange established in this agreement

2.4. Quotation of the securities. - When necessary, the Company shall request the admission to quotation/negotiation in official/unofficial secondary markets, domestic or foreign, of the convertible titles issued in the exercising of this delegation, with the Board of Directors being empowered to take any necessary or appropriate steps for their respective admission in the corresponding market.

2.5. Guarantee of issues of securities of acquired companies. - The Board of Directors is also empowered to guarantee on behalf of the Company, within the aforementioned limits, the new issues of values which, during the period of validity for this agreement, will be carried out by the companies belonging to the Group.

The maximum limit of this delegation is one billion euros, summed up by all the contracting modalities provided therein, and its period of exercise is five years. The issues covered thereby may be of one or more types. Also, as many issues as the Board of Directors deems convenient may be made, provided that the sum of all do not exceed the aforementioned figures.

Eleventh Item on the Agenda: "Authorisation to the Company's Board of Directors for the acquisition of treasury shares for a period of two years, either by the Company itself or by any of the companies of its Group, setting limits and requirements, leaving without effect the authorisation granted by the General Shareholders' Meeting held on 22 October 2020."

In relation to this Item on the Agenda of the General Shareholders' Meeting, the Board of Directors proposes the following resolution:

"Authorisation and empowerment to the Board of Directors of ACERINOX, S.A. to acquire treasury shares, either by itself or through any of the Group Companies, pursuant to articles 146 and 509 of Capital Companies Act, for any onerous title and **for a period of two years** from today, at a minimum value that will not be less than 5% that corresponding to the exchange session of the day the trade is executed, and a maximum value that will not exceed 5% that corresponding to the exchange session of the day the trade is executed , as well as where appropriate to alien assign them within those limits.

The maximum number of treasury shares that the Company may acquire under this agreement, in addition, where appropriate, to those already held by the Company and its subsidiaries, shall be 10% of the capital subscribed.

This authorization terminates that granted for this same purpose at the Company's General Shareholders' Meeting held on October 22, 2020."

Twelfth item on the Agenda: "Authorisation to the Board of Directors for the acquisition of shares of Acerinox, S.A. for the payment of the Second Cycle (2020-2022) of the Second Multiannual Remuneration Plan or Long Term Incentive Plan (LTI) established for Executive Directors and the remaining members of the Group's Senior Management, (this Plan or Incentive was approved by the 2020 General Shareholders' Meeting)."

In relation to this Item on the Agenda of the General Shareholders' Meeting, the Board of Directors proposes the following resolution:

A) Second Cycle of the Second Multiannual Plan

"Authorize the Board of Directors of the Company to acquire shares of Acerinox, S.A. for the payment of the Second Cycle (2022-2024) of the Second Multiannual Remuneration Plan, or Long-Term Incentive (ILP) for the period 2021-2025 directed established in favour of the Executive Directors and Senior Management Directors of the Acerinox Group.

Since this Second Cycle begins in 2022 it is necessary to give the Board of Directors the power to acquire the necessary actions to proceed with the payment.

The regulation of this Second Cycle of the 2nd Plan is as outlined in points 1 to 4 above.

B) The maximum number of Shares on which this Second Plan Cycle is projected (2022/2024)

The maximum number of shares in execution of this First Cycle of the Second Plan will be calculated by dividing 3,500,000 by the average share price value of Acerinox, S.A. during the last thirty trading days of 2020 and without exceeding 500,000. The unassigned shares in this Second Cycle (2022/2024) will remain for the following cycles and the rest of actions will be given the destination decided by the Board of Directors.

The acquisition of shares by the Company will be performed by taking into account the provisions of Acerinox's General Policy of Conduct in Treasury Shares, approved by the Board of Directors in its meeting on 28 October 2016.

Further detail on the regulation of this incentive – and in particular on the *clawback* clause with which it is taxed – more information can be obtained in the corresponding agenda item (Directors' Remuneration Report) with reference to the Executive Director, whose regime is common to that of the rest of Senior Management.

C- Authorisation to the Board of Directors

“The Board of Directors is empowered, in the broadest terms required by law and in accordance with the terms set out in the Regulations that govern the Senior Management's remuneration, to apply, develop, interpret and execute this resolution”.

Thirteenth item on the Agenda: “Submitted the vote, on an advisory basis, of the Annual Report on Remuneration of Directors of ACERINOX, S.A., for the financial year ended on 31 December 2020.”

In relation to this Item on the Agenda of the General Shareholders' Meeting, the Board of Directors proposes the following resolution:

“Approval of the Directors' Remuneration Annual Report of ACERINOX, S.A., corresponding to the financial year ended on 31 December 2020, referred to in article 541 of the Law on Capital Companies, the text of which has been made available to shareholders, together with the rest of the documentation relating to the General Shareholders' Meeting.”

Order issues:

Fourteenth item on the Agenda “Delegation of powers to the Board of Directors for the execution, correction and authorisation of the resolutions adopted at the General Shareholders' Meeting, and granting of powers to convert such resolutions into a public deed”.

In relation to this Item on the Agenda of the General Shareholders' Meeting, the Board of Directors proposes the following resolution:

“Delegation, as widely as required by law, to the Board of Directors of ACERINOX, S.A. of the appropriate interpretation, correction, application, complement, development and implementation of the resolutions approved by the General Shareholders' Meeting, as well as to substitute the powers received from the General Shareholders' Meeting and the delegation of powers for the formalisation and registration thereof, also empowering indistinctly Mr. Rafael Miranda Robredo, (Chairman) Mr. Bernardo Velázquez Herreros (Chief Executive Officer and Mr. Luis Gimeno Valledor (Secretary of the Board) for any one of them to, jointly or severally, appear before a Notary and execute in a public deed the aforementioned agreements. This power will cover the right to make modifications, amendments and additions were necessary or convenient as a result of observations or objections raised by the regulatory bodies of the stock markets, the Stock Exchange, the Mercantile Register and any other public authority with competences related to the agreements adopted”.

Issues for information::

Fifteenth Item on the Agenda: “Report from the Chairman on the most relevant aspects regarding Corporate Governance of the Company.”

Sixteenth item on the Agenda: Information for the General Shareholders' Meeting, in accordance with article 528 of the Capital Companies Act, regarding the amendment to the Regulations of the Board of Directors done on December 2020.

Madrid, 25 February 2021