



**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 21 OCTOBER 2020,  
AND ON SECOND CALL ON 22  
OCTOBER 2020.**

**Madrid, 14 September 2020**

**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 21 OCTOBER 2020, AND ON SECOND CALL ON 22 OCTOBER 2020.**

**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 2019.”

In relation to this Item on the Agenda of the General 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 year ended 31 December 2019.

The separate and consolidated annual accounts, together with the corresponding management reports, were 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 2019”.

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

“Approval of the Consolidated Statement of Non-Financial Information for 2019, in accordance with the provisions of Law 11/2018, of 28 December.

The Consolidated Statement of Non-Financial Information has been verified in accordance with current regulations.”

**Third Item on the Agenda:** “Approval, where appropriate, of the proposed allocation of results of ACERINOX, S.A. for the year ended 31 December 2019.”

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 2019:

Profit for the year \_\_\_\_\_ 438,827,598.35 Euros

Distribution to:

- Legal reserve	128,597.21 Euros
- Dividends	108,218,477.20 Euros
- Offset prior years' losses	186,367,543.13 Euros
- Voluntary reserves	144,112,980.81 Euros.”

**Fourth Item on the Agenda:** “Approval, where appropriate, of the management of the Board of Directors for the year ended 31 December 2019.”

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

“Approval of the management of the Board of Directors of ACERINOX, S.A. for the year ended 31 December 2019.”

**Fifth Item on the Agenda:** “Approval, where appropriate, of the distribution of a dividend amounting to 0.40 euros per share to be paid on 2 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 distribution of a dividend amounting to 0.40 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 108,218,477.20 euros. This dividend will be paid on 2 December 2020.”

**Sixth Item on the Agenda:** “Refund, where appropriate, of contributions to shareholders, with a charge to Share Premium of 0.10 euros per share, to be paid on 3 December 2020.”

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

“Approval of a return of contributions to ACERINOX, S.A. shareholders, with a charge to Share Premium, of 0.10 euros for each of the 270,546,193 shares (with the limits of article 148 of the Corporation Law on existing Treasury shares at the time of the payment) amounting to 27,054,619.30 euros. This payment of the Share Premium will be paid to shareholders of ACERINOX, S.A., on 3 December 2020.”

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

**Item 7.1 on the Agenda:** “Appointment of Ms Leticia Iglesias Herraiz as Independent Director.”

In relation to Item 7.1 on the Agenda of the General Meeting, the Board of Directors proposes the following resolution:

“At the proposal of the Appointments, Remuneration and Corporate Governance Committee, appointment of Ms Leticia Iglesias Herraiz as a Director of ACERINOX, S.A. for a period of four years, as established in the Articles of Association. Ms Iglesias Herraiz is appointed in the capacity of Independent Director.”

**Item 7.2 on the Agenda:** “Appointment of Mr Francisco Javier García Sanz as Independent Director.”

In relation to Item 7.2 on the Agenda of the General Meeting, the Board of Directors proposes the following resolution:

“At the proposal of the Appointments, Remuneration and Corporate Governance Committee, appointment of Mr Francisco Javier García Sanz as a Director of ACERINOX, S.A. for a period of four years, as established in the Articles of

Association. Mr García Sanz is appointed in the capacity of Independent Director.”

**Eighth Item on the Agenda:** “Re-election of the Accounts Auditor, of both Acerinox, S.A. and its Consolidated Group, for the 2020 financial year.”

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

“Re-election of the firm "**PricewaterhouseCoopers Auditores, S.L.**", with Tax Identification Number B-79031290 and with Official Registry of Accounting Auditors Number S0242, as auditor of the accounts to carry out the review and legal audit of the financial statements of ACERINOX, S.A. and its Consolidated Group, for the 2020 financial year, empowering the Board of Directors of ACERINOX, S.A., to set the conditions and formalise 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 with the power to exclude the right of preferential subscription if the Company's interest so requires, or other income securities fixed in any market, total amount of up to three billion (3,000,000,000) euros, 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 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 with the power to exclude the right of preferential subscription if the Company's interest so requires 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) Exclude the preemptive subscription right of shareholders or bondholders when it is necessary and convenient for the company. In any case, if it were decided to exercise the power conferred to suppress the preemptive subscription right, the Board would issue the mandatory directors' report, together with the corresponding auditor's report pursuant to article 511.3 of the Capital Companies Acts.
- 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 three billion (3,000,000,000) 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:** "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 11 April 2019."

In relation to this Item on the Agenda of the General 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 under the following terms:

1. Acquisitions may be made for any onerous title (sale and purchase, swap, dation in payment, exchange or any other), once or several times.
2. This authorisation is granted for **a maximum period of two years** from the adoption of this agreement.

3. The acquisition price or minimum counter value shall not be 5% less than that corresponding to the Stock Exchange session when the transaction is executed, nor 5% greater than that corresponding to the Stock Exchange session when the transaction is executed, and they must be disposed, where applicable, within the aforementioned limits.
4. 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.

In accordance with article 146 of the Capital Companies Act, it is expressly stated that the shares acquired under this authorisation may be, in whole or in part, delivered directly to the employees or directors of the Company or Group companies, or as a result of the exercise of the right to ownership option thereof. Furthermore, the shares acquired as a result of this authorisation may be used, in whole or in part, both for their disposal or redemption and for the achievement of potential corporate or business operations or decisions, as well as for any other legally possible purpose.

This authorisation leaves without effect, to the extent not used, that granted for this same purpose at the Company's General Shareholders' Meeting held on 11 April 2019."

**Eleventh item on the Agenda:** "Authorisation to the Board of Directors for the acquisition of shares of Acerinox, S.A. for the payment of the Third Cycle (2020-2022) of the First 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 2018 General Shareholders' Meeting)."

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

"Authorisation to the Board of Directors for the acquisition of shares of ACERINOX, S.A. for the payment of the Third Cycle (2020-2022) of the First Multiannual Remuneration Plan or Long Term Incentive Plan (LTI) established for Executive Directors and the remaining members of the Group's Senior Management.

The General Shareholders' Meeting held in 2018 approved an incentive consisting of a Multiannual Remuneration Plan, each of whose phases or cycles began in the years 2018, 2019 and 2020, and with a duration of three years, respectively, from the beginning of each one thereof.

The General Shareholders' Meeting authorised the Board of Directors in 2018 and 2019 to acquire the Acerinox, S.A. shares necessary to proceed with the payment of the Plan corresponding to the first and second of these cycles.

Since the third cycle started in 2020, it is necessary to provide the Board of Directors with the same powers to acquire the shares necessary to proceed with the payment.

For a better understanding of the proposal and for transparency, the characteristics of the Plan already approved are summarised in points 1 to 4 and the specific authorisation requested is summarised in point 5, as well as the number of shares projected.

**1.- Duration:** The LTI has three cycles lasting three years each. The First Cycle of the Plan spans from 1 January 2018 to 31 December 2020. The Second Cycle began on 1 January 2019 and will end on 31 December 2021, and the Third Cycle began on 1 January 2020 and will end on 31 December 2022.

**2.- Purpose:** The Long-Term Incentive (LTI) will allow Senior Managers, and also the Executive Director ("the Beneficiaries"), to receive an incentive payable in shares of Acerinox, S.A. for a target figure of between 30 and 50% of the basic salary and with a total personal maximum of 200% of the respective target.

**3.- Implementation:** The LTI is implemented through the allocation to each Beneficiary of a certain theoretical number of shares ("Performance Shares"). To calculate this theoretical number of shares, the Acerinox, S.A. shares will be valued at the market price they held in the 30 trading days prior to the commencement of the Plan. That number of Performance Shares shall serve as the basis for determining the actual number of shares of Acerinox, S.A. to distribute, where applicable, to the Beneficiary at the end of each cycle, depending on the degree of fulfilment of the objectives and subject to compliance with the requirements set out in the Regulations that govern each Plan.

**4. Calculation. Metrics:** Determination of the LTI to be received. The total number of shares to be distributed on the Settlement Date for each cycle, if the established requirements are met, will be determined on the Calculation Date in accordance with the following formula:  $\text{Final Incentive} = \text{Target Incentive} \times \text{Weighted Achievement Coefficient}$ .

Where:

Final Incentive = number of shares of the Company, rounded by default to the nearest whole number, to distribute to each Beneficiary on the Plan Termination Date, according to the procedure stipulated in the Regulation.

Target Incentive = number of Performance Shares assigned to the Beneficiary.

Weighted Achievement Coefficient = Coefficient dependent on the level of fulfilment of the objectives to which the Plan is linked and which will be determined in accordance with the Regulation.

Metrics: The Weighted Achievement Coefficient will depend on the degree of fulfilment of the objectives to which the Plan for each cycle is linked. The achievement of the objectives will be measured through identifiable and quantifiable parameters, called Metrics (the "Metrics"). The Plan's Metrics will always be aligned with the Strategic Plan of the Company. For this reason, the Metrics may vary in each cycle depending on the Company's strategic priorities set at the beginning of each period.

These metrics are:

- (i) The Total Shareholder Return (TSR): This Metric makes up 75% of the Weighted Achievement Coefficient. At the end of each cycle, the TSR will be calculated for Acerinox and each of the companies in the Reference Group, which will be composed of the companies listed in the IBEX 35 Index, that are listed in the regulations of each Plan. The companies of this Reference Group, including Acerinox, will be ordered from the largest to the smallest according to the corresponding TSR for each company.

The payment coefficient for the position Acerinox occupies in the ranking will be determined below. For each position in the ranking, there is a corresponding payment coefficient, ranging from 0% to 200% of the Target Incentive, according to the following scale:

For a lower than average position in the Reference Group, the payment coefficient will be 0% of the Target Incentive.

For an average position in the Reference Group (15th position in the ranking) ("minimum compliance level"), the payment coefficient will be 50% of the Target Incentive.

For a position equal to or greater than the 75th percentile of the Reference Group (8th position in the ranking) ("maximum compliance level"), the payment coefficient will be 200% of Target Incentive.

For intermediate positions between the average and the 75th percentile of the Reference Group, the payment coefficient will be calculated by linear interpolation.

For the calculation of the Initial Value and the Final Value of the share price concerned, the trading references in the main stock market will be used.

The companies used as a reference in this metric are: Abertis, ACS, Acciona, Aena, Amadeus, ArcelorMittal, Cellnex, DIA, Enagas, Endesa, Ferrovial, Naturgy, Fenosa, Siemens-Gamesa, Grifols, IAG, Iberdrola, Inditex, Indra, Inmobiliaria Colonial, Mapfre, Mediaset, Meliá Hotels, Merlin Properties, Red Eléctrica, Repsol, Técnicas Reunidas, Telefónica and Viscofan.

- (ii) Return on Equity ("ROE"): This Metric makes up 25% of the Weighted Achievement Coefficient. For these purposes, ROE is understood to be the ratio of "(Net Profit – minorities) / equity". At the end of each cycle, the ROE will be calculated for Acerinox and each of the companies in the Reference Group, which will be composed of the following companies: Aperam, Arcelormittal, Outokumpu, Salzgitter, SSAB, AK Steel and Voestalpine. The companies of this Reference Group, including Acerinox, will be ordered from the largest to the smallest according their corresponding ROE.

The payment coefficient for the position Acerinox occupies in the ranking will be determined below. For each position in the ranking, there is a corresponding payment coefficient, ranging from 0% to 200% of the Target Incentive.

The shares finally received by the Beneficiary shall be as follows:

Share Incentive = Final Incentive x (1 - Withholding Tax Rate).

Where:

Share Incentive = Shares to be distributed after applying Personal Income Tax.

Final Incentive = Final Incentive.

Withholding Tax Rate = Rate of tax withheld as Personal Income Tax corresponding to the Beneficiary in accordance with the applicable legislation on Personal Income Tax.

The shares received by means of this Plan will be fully paid, admitted to trading and free from any charge or tax.

The Beneficiaries will be subject to the limitation that includes the obligation to retain the received shares (net of any corresponding payment of Personal Income Tax) for a period of one year from the date of receipt. After that period has passed, the shares will be freely disposable.

**5. - Maximum number of shares on which this Third Cycle of the Plan (2020/2022) is based.** The number of shares to be awarded shall be calculated by taking into account the value of the Acerinox shares at the beginning of the respective Plan, with any subsequent increase or decrease in their value being borne by the director. The maximum number of shares to be awarded in this third Cycle of the Plan is 213,000. To determine this figure, the initial value of the shares calculated were taken into account, according to the rules that govern the LTI and the maximum theoretical remuneration possible for this concept, the number of Beneficiaries at 1 January 2020, and the possibility that the number of Beneficiaries may increase in the future if the Board of Directors increases the members of Senior Management. Any shares not allocated in this Third Cycle (2020/2022) will remain for the following plan and ultimately the fate of vacant shares will be 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.

**6. 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 acquire the shares mentioned in the preceding point and to apply, develop, interpret and execute this resolution”.

Twelfth item on the Agenda: “Approval, where appropriate, of the Second Multiannual Remuneration Plan or Long Term Incentive Plan (LTI) corresponding to the 2021-2025 period for Executive Directors and members of Senior Management of the Acerinox Group, consisting of the payment of a portion of the variable remuneration through the delivery of shares, and approval of the First Cycle (2021-2023) of the aforementioned Plan.”

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

“Approval of the Second Multiannual Remuneration Plan or Long Term Incentive Plan (LTI) for the 2021-2025 period for Executive Directors and members of Senior Management of the Acerinox Group, consisting of the payment of a portion of the variable remuneration through the delivery of shares, and approval of the First Cycle (2021-2023) of the aforementioned Plan”.

The basic characteristics of the Second Plan (LTI) are the following:

**A) Second Multiannual Remuneration Plan**

**1) Duration:**

The LTI has three cycles lasting three years each. The First Cycle of the Plan spans from 01 January 2021 to 31 December 2023. The Second Cycle will begin

on 1 January 2022 and will end on 31 December 2024, and the Third Cycle will begin on 1 January 2023 and will end on 31 December 2025.

2) Purpose:

The LTI will allow Senior Management, and also the Executive Director ("the Beneficiaries"), to receive an incentive payable in shares of Acerinox, S.A. for a target figure of between 30 and 50% of the basic salary and with a total personal maximum of 200% of the respective target.

3) Implementation:

The LTI is implemented through the allocation to each Beneficiary of a certain theoretical number of shares ("Performance Shares"). To calculate this theoretical number of shares, the Acerinox, S.A. shares will be valued at the market price they held in the 30 trading days prior to the commencement of the Plan. That number of Performance Shares shall serve as the basis for determining the actual number of shares of Acerinox, S.A. to distribute, where applicable, to the Beneficiary at the end of each cycle, depending on the degree of fulfilment of the objectives and subject to compliance with the requirements set out in the Regulations that govern each Plan.

4) Calculation: Metrics

Determination of the LTI to be received. The total number of shares to be distributed on the Settlement Date for each cycle, if the established requirements are met, will be determined on the Calculation Date in accordance with the following formula:

Final Incentive = Target Incentive x Weighted Achievement Coefficient

Where:

- Final Incentive = number of shares of the Company, rounded by default to the nearest whole number, to distribute to each Beneficiary on the Plan Termination Date, according to the procedure stipulated in the Regulation.
- Target Incentive = number of Performance Shares assigned to the Beneficiary.
- Weighted Achievement Coefficient = Coefficient dependent on the level of fulfilment of the objectives to which the Plan is linked and which will be determined in accordance with the Regulation.

Metrics. The Weighted Achievement Coefficient will depend on the degree of fulfilment of the objectives to which the Plan for each cycle is linked. The achievement of the objectives will be measured through identifiable and quantifiable parameters, called Metrics (the "Metrics"). The Plan's Metrics will always be aligned with the Strategic Plan of the Company. For this reason, the Metrics may vary in each cycle depending on the Company's strategic priorities set at the beginning of each period.

These metrics are:

(i) The Total Shareholder Return (TSR):

This Metric makes up 75% of the Weighted Achievement Coefficient. At the end of each cycle, the TSR will be calculated for Acerinox and each of the companies in the Reference Group, which will be composed of the companies listed in the

IBEX 35 Index, that are listed in the regulations of each Plan. The companies of this Reference Group, including Acerinox, will be ordered from the largest to the smallest according their corresponding RTA.

The payment coefficient for the position Acerinox occupies in the ranking will be determined below. For each position in the ranking, there is a corresponding payment coefficient, ranging from 0% to 200% of the Target Incentive, according to the following scale:

- For a lower than average position in the Reference Group, the payment coefficient will be 0% of the Target Incentive.
- For an average position in the Reference Group (15th position in the ranking) ("minimum compliance level"), the payment coefficient will be 50% of the Target Incentive.
- For a position equal to or greater than the 75th percentile of the Reference Group (8th position in the ranking) ("maximum compliance level"), the payment coefficient will be 200% of Target Incentive.

For intermediate positions between the average and the 75th percentile of the Reference Group, the payment coefficient will be calculated by linear interpolation.

For the calculation of the Initial Value and the Final Value of the share price concerned, the trading references in the main stock market will be used.

The companies used as a reference in this metric are: Acciona, ACS, Aena, Almirall, Amadeus IT Group, ArcelorMittal, Cellnex Telecom, Cie Automotive, Colonial, Enagas, Ence, Endesa, Ferrovial, Grifols, IAG, Iberdrola, Inditex, Indra, Mapfre, Masmovil, Meliá Hotels, Merlin Properties, Naturgy, Red Eléctrica, Repsol, Siemens Gamesa, Telefónica and Viscofan.

(ii) Return on Equity ("ROE"):

This Metric makes up 25% of the Weighted Achievement Coefficient. For these purposes, ROE is understood to be the ratio of "(Net Profit – minorities) / equity". At the end of each cycle, the ROE will be calculated for Acerinox and each of the companies in the Reference Group, which will be composed of the following companies: Aperam, ArcelorMittal, Outokumpu, Salzgitter, SSAB, AK Steel and Voestalpine. The companies of this Reference Group, including Acerinox, will be ordered from the largest to the smallest according their corresponding ROE.

The payment coefficient for the position Acerinox occupies in the ranking will be determined below. For each position in the ranking, there is a corresponding payment coefficient, ranging from 0% to 200% of the Target Incentive.

The shares finally received by the Beneficiary shall be as follows:

Share Incentive = Final Incentive x (1 - Withholding Tax Rate)

Where:

- "Share Incentive" = Shares to be distributed after applying Personal Income Tax.

- “Final Incentive” = Gross number of shares resulting from applying the weighted achievement coefficient to the Target incentive.
- “Withholding Tax Rate” = Rate of tax withheld as Personal Income Tax corresponding to the Beneficiary in accordance with the applicable legislation on Personal Income Tax.

The shares received by means of this Plan will be fully paid, admitted to trading and free from any charge or tax. The Beneficiaries will be subject to the limitation that includes the obligation to retain the received shares (net of any corresponding payment of Personal Income Tax) for a period of one year from the date of receipt. After that period has passed, the shares will be freely disposable.

### **B) First Cycle of the Second Multiannual Plan**

“Authorisation to the Company’s Board of Directors for the acquisition of shares of Acerinox, S.A. for the payment of the First Cycle (2021-2023) of the Second Multiannual Remuneration Plan or Long Term Incentive Plan (LTI) for the 2021-2025 period established for Executive Directors and members of Senior Management of the Acerinox Group.

Since the First Cycle starts in 2021 it is necessary to provide to the Board of Directors with powers to acquire the shares necessary to proceed with the payment.

Regulation of this First Cycle of the 2<sup>nd</sup> Plan is indicated in points 1 to 4 above, included in section “A) Second Multiannual Remuneration Plan” of this Item on the Agenda.

### **5) Maximum number of shares on which this First Cycle of the Plan (2021/2023) is based**

The maximum number of shares to be awarded in this First Cycle of the Second Plan shall be calculated by dividing 2,771,000 by the average share price of Acerinox, S.A. during the last thirty trading days of 2020, without exceeding 500,000. Any shares not allocated in this First Cycle (2021/2023) will remain for the following cycles and ultimately the fate of vacant shares will be 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 details on the regulation of this incentive - and in particular on the clawback clause under which it is taxed - can be obtained under the corresponding item on the agenda (Report on the Remuneration of Directors) with reference to the Executive Director, whose regime is common to that of the remaining members of the 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:** "Advisory vote on the Annual Report on Remuneration of Directors of ACERINOX, S.A., corresponding to the financial year ended 31 December 2019."

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

"Approval of the Annual Report on Remuneration of Directors of ACERINOX, S.A. for the year ended 31 December 2019, pursuant to Article 541 of the Capital Companies Act, the text of which has been made available to the shareholders, along with the other documentation relating to the General Shareholders' Meeting."

**Fourteenth Item on the Agenda:** "Amendment of the Company Articles of Association."

It is proposed that the Articles of Association are amended to incorporate the possibility of holding General Shareholders' Meetings with telematic assistance and other modifications of the agenda.

**Item 14.1 on the Agenda:** "Amendment of Article 8 ("Rights conferred by the shares")."

In relation to Item 14.1 on the Agenda of the General Meeting, the Board of Directors proposes the following resolution:

"Amendment of Article 8 ("Rights conferred by the shares") of the Articles of Association to read 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.»"*

**Item 14.2 on the Agenda:** "Amendment of Article 14 ("Attendance at Meetings and Representation")."

In relation to Item 14.2 on the Agenda of the General Meeting, the Board of Directors proposes the following resolution:

"Amendment of Article 14 ("Attendance at Meetings and Representation") of the Articles of Association to read as follows:

## **«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.»*

**Item 14.3 on the Agenda:** “Amendment of Article 17 (“Minutes”).”

In relation to Item 14.3 on the Agenda of the General Meeting, the Board of Directors proposes the following resolution:

“Amendment of Article 17 (“Minutes”) of the Articles of Association to read as follows:

### **«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.»*

**Item 14.4 on the Agenda:** “Inclusion of the new Article 17.bis (“Attendance at the General Shareholders' Meeting via electronic means”).”

In relation to Item 14.4 on the Agenda of the General Meeting, the Board of Directors proposes the following resolution:

“Inclusion of the new Article 17.bis (“Attendance at the General Shareholders' Meeting via electronic means”) of the Articles of Association to read as follows:

### **«Article 17.bis. Attendance at the General Shareholders' Meeting via electronic means.**

*The Company may authorise attendance at the General Shareholders' Meeting by electronic 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 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.»*

**Fifteenth item on the Agenda:** “Amendment of the Regulation for the General Meeting of Shareholders.”

It is proposed that the Regulation for the General Meeting of Shareholders is amended.

**Item 15.1 on the Agenda:** “Amendment of Article 1 (“Purpose of the regulation”).”

In relation to Item 15.1 on the Agenda of the General Meeting, the Board of Directors proposes the following resolution:

“Amendment of Article 1 (“Purpose of the regulation”) of the Regulation for the General Meeting of Shareholders to read as follows:

**«Article 1.- Purpose of the regulation.**

*The purpose of the Regulation is to regulate the General Shareholders' Meeting of ACERINOX, S.A. (“the **Company**”) supplementing and implementing the rules laid down in the commercial legislation and in the Articles of Association.*

*The Regulations also seek to foster transparency, efficiency and promotion of the deliberation and decision-making functions of the General Shareholders' Meeting, to guarantee the equal treatment of all shareholders who are in identical conditions with regard to information, participation and the exercise of voting rights at the General Shareholders' Meeting and, in particular, to promote the participation of shareholders and their involvement in the life of the Company. In particular, the Board of Directors shall take appropriate measures to ensure that the accessibility requirements of those in need of such assistance are met.»*

**Item 15.2 on the Agenda:** “Amendment of Article 2 (“Scope of application and validity”).”

In relation to Item 15.2 on the Agenda of the General Meeting, the Board of Directors proposes the following resolution:

“Amendment of Article 2 (“Scope of application and validity”) of the Regulation for the General Meeting of Shareholders to read as follows:

**«Article 2.- Scope of application and validity.**

*These Regulations shall apply from the first General Shareholders' Meeting called after the Meeting at which their approval or successive amendments are resolved, without prejudice to the rights already recognised by the legal and statutory regulations of the shareholders.*

*The Board of Directors may, at the General Shareholders' Meeting, suggest amendments to the Regulation when it is deemed appropriate or necessary to do so. The proposal shall be accompanied by a report justifying such amendment.*

*In order for the approval of and amendment to the Regulation to be valid, the resolution must be adopted by the majorities stipulated in the Articles of Association.»*

**Item 15.3 on the Agenda:** “Amendment of Article 3 (“Types of shareholder meetings and powers”).”

In relation to Item 15.3 on the Agenda of the General Meeting, the Board of Directors proposes the following resolution:

“Amendment of Article 3 (“Types of shareholder meetings and powers”) of the Regulation for the General Meeting of Shareholders to read as follows:

**«Article 3.- Types of shareholder meetings and powers.**

*The General Meetings may be either Ordinary or Extraordinary.*

**3.1 Ordinary General Meeting.**

*The Ordinary General Meeting, with previous call notice to attend issued to this effect, must meet within the first six months of each financial year in order to, where applicable, approve company management, approve the financial accounts for the last financial year and decide on the distribution of profit.*

*The Ordinary General Meeting will be valid even if it has been called or held on a date after the six-month term.*

*In addition, the Ordinary General Meeting may consider and resolve any other matter within its competence that appears on the Agenda or when legally required.*

**3.2 Extraordinary General Meeting.**

*Any meeting other than the one mentioned in the paragraph above will be considered an Extraordinary General Meeting.*

**3.3 Powers of the General Meeting.**

*The General Meeting shall have the power to consider and agree on the following matters:*

*The approval of the annual accounts, the distribution of profit and the approval of company management.*

*The appointment and removal of directors, of liquidators and, where applicable, the account auditors, as well as undertaking any actions against these in accordance with the Company's responsibility.*

*The amendment of the Company Articles of Association.*

*The increase or reduction of the share capital.*

*Restrictions or limitations to the right of preferential subscription.*

*The acquisition, disposal or provision of another key asset company.*

*The transformation, merger, division or global assignment of assets and liabilities and the transfer of the registered office abroad.*

*The dissolution of the company.*

*The approval of the final settlement balance sheet.*

*The transfer of entities dependent on key activities undertaken by the Company up to that moment, even if it maintains full control over them.*

*The transactions whose effects are equivalent to those of liquidating the Company.*

*The remuneration policy for the Directors according to the terms established by Law.*

*Any other matter as established by law or in the Articles of Association.*

*A key activity or operational asset is to be considered as such when the volume of the operation surpasses twenty-five percent of the total assets listed on the balance sheet.*

*The General Shareholders Meeting has no power to give instructions to the Board of Directors or subject to its authority the adoption by this body of decisions or resolutions regarding management affairs.»”*

**Item 15.4 on the Agenda:** “Amendment of Article 4 (“Call notice”).”

In relation to Item 15.4 on the Agenda of the General Meeting, the Board of Directors proposes the following resolution:

“Amendment of Article 4 (“Call notice”) of the Regulation for the General Meeting of Shareholders to read as follows:

**«Article 4. Call notice.**

**4.1 Publication.**

*Both Ordinary and Extraordinary General Meetings shall be called by the Board of Directors, by means of an announcement published in the "Boletín Oficial del Registro Mercantil" [Official Commercial Register Gazette] or in one of the larger circulating daily newspapers in Spain, on the website of the Comisión Nacional del Mercado de Valores and on the Company's web page (www.acerinox.com). There must be a period of at least one month between the call notice to attend and the date set for the Meeting.*

**4.2 Content.**

*The call notice will indicate the name of the Company, the date and time of the meeting, the business included in the agenda and the position held by those convening the meeting.*

*In addition, it must also state the date and time at which the General Meeting will be held on second call, as the case may be. Between the first and second calls there must be a period of at least twenty-four hours.*

*The announcement of the call to the General Meeting, in addition to the legally required general references, will also indicate the date on which shareholders must have their shares registered in their name in order to take part and vote in the General Meeting, the place and manner in which the complete documents and proposed resolutions can be obtained, and the address of the company's website where the information and a shareholder information telephone number will be available.*

*Furthermore, the notice must contain clear and precise information on the procedures that shareholders must follow in order to take part and cast their vote in the General Meeting, including the following points:*

- a) The right to request information, to include business in the agenda, and to submit proposals for resolutions, as well as the term for exercising this right. When it is stated that more detailed information on these rights is available on the Company's website, the call notice may merely indicate the term for exercising said rights.*
- b) The system for casting votes by proxy, with specific indication of which forms must be used to delegate one's vote and which means must be used so the Company can accept an electronic notification of the appointed representatives.*
- c) The procedures established for distance voting, by either mail or electronic means.*

**4.3 Right to add to the agenda.**

*Shareholders representing at least three percent of the share capital may request that a supplement be added to the call notice of an ordinary General Meeting, including one or more items on the agenda, provided that the new items are submitted together with an explanation justifying their inclusion or, where applicable, a duly justified proposed resolution. Under no circumstances may this right be exercised for call notices to attend an Extraordinary General Meeting.*

*The right must be exercised by providing notice by attested means, which must be received at the registered office within five days following publication of the notice to attend. The supplement to the notice must be published within a minimum of fifteen days prior to the date set for the Shareholders Meeting. Failure to publish the supplement within this period will be deemed a reason to challenge the Meeting.*

**4.4 Right to present new resolution proposals.**

*Shareholders representing at least three percent of the share capital may, within the same period indicated in the above paragraph, submit justified proposals for resolution on*

*matters already included or which may be included on the agenda of the Meeting called. The Company shall ensure the distribution of these proposals for resolution and, where applicable, of the accompanying documentation, to the remainder of the shareholders in accordance with the provisions in the Law.*

#### *4.5 Request to call to meeting by minority.*

*The Board of Directors must call a General Meeting when requested to do so by one or more shareholders who represent at least three percent of the share capital. The application must include the matters to be addressed.*

*In this case, the General Meeting must be held within two months following the date on which the directors were formally requested to call it, including in the agenda the matters which are the subject of the request.»”*

**Item 15.5 on the Agenda:** “Amendment of Article 5 (“Right of shareholder participation and information”).”

In relation to Item 15.5 on the Agenda of the General Meeting, the Board of Directors proposes the following resolution:

“Amendment of Article 5 (“Right of shareholder participation and information”) of the Regulation for the General Meeting of Shareholders, which shall now be called “Information available from the date of the call notice”, and shall read as follows:

**«Article 5. Information available from the date of the call notice.**

*5.1 From the publication of the call to meeting to the moment in which the General Meeting is held, the Company must permanently post the following information on its web page, as a minimum:*

- a) The call notice to meeting.*
- b) The total number of shares and voting rights as of the date of the call to meeting, itemised by types of shares, if applicable.*
- c) The documents which must be submitted to the General Meeting, and in particular, any reports issued by directors, accounts auditors and independent experts.*
- d) The complete text of the proposals for resolution for each and every one of the items on the Agenda or, regarding those items which are strictly informative, a report from the competent authorities on each of these items. The proposals for resolution submitted by the shareholders will also be posted, as they are received.*
- e) In the case of appointments, ratifications or re-elections of Board Members, the identity, curriculum vitae and category of each, as well as the proposals and reports indicated in the Act.*
- f) The forms used in order to vote by proxy or by distance voting, except when these are sent directly to each shareholder by the company. If for technical reasons these cannot be published on the web page, the company must indicate on the site how a hard copy can be obtained. Hard copies must be sent to each shareholder requesting one.*

*The Company shall also publish other information as is legally required or deemed appropriate to facilitate shareholders' attendance at and participation in the General Shareholders' Meeting.*

*5.2 The Board of Directors is responsible for approving the operational guidelines of the Electronic Forum of Shareholders. These guidelines will be available on the Company's website.*

*5.3 Without prejudice to the information published on the Company's website, from the notice call for the General Shareholders' Meeting, any shareholder may examine at the registered office and request the delivery or dispatch, free of charge, of the documents established by law in each case.*

*5.4 The documentation referenced in paragraph 1 of this article will be made available to the shareholders at the location and on the date of the General Meeting.»”*

**Item 15.6 on the Agenda:** “Inclusion of the new Article 5.bis (“Right to shareholder information”).”

In relation to Item 15.6 on the Agenda of the General Meeting, the Board of Directors proposes the following resolution:

“Inclusion of Article 5.bis (“Right to shareholder information”) of the Regulation for the General Meeting of Shareholders to read as follows:

**«Article 5.bis- Right to shareholder information.**

*5.1 Up to the fifth day prior to the date set for the Meeting, the shareholders may, in relation to the matters included on the Agenda, request from the Directors any information or clarification they may deem necessary, or put in writing any questions deemed relevant. Shareholders may also request in writing any clarification they feel is necessary on the information available to the public that the Company provided to the National Securities Market Commission from the date of the previous General Shareholders’ Meeting and regarding the auditor’s report. The Directors shall be bound to provide this information in writing until the day of the General Meeting.*

*Valid requests for information, clarifications or questions made in writing and written replies provided by the Board of Directors will be included on the Company’s website.*

*5.2 During the General Shareholders’ Meeting, the Company’s shareholders may verbally request information or clarifications that they deem appropriate regarding the items on the agenda. Shareholders may also request any clarification they feel is necessary on the information available to the public that the Company provided to the National Securities Market Commission and on the auditor’s report. Should it not possible to satisfy the shareholder’s right at that time, the directors shall be obliged to provide that information in writing within seven days following the end of the General Shareholders’ Meeting.*

*5.3 The directors must provide the information requested by means of the two paragraphs above, except when this information is irrelevant to the stewardship of the shareholders, or if there are objective reasons to believe that it may be used for purposes alien to the company, or if its publication may be to the detriment of the Company or its related companies.*

*The supply of this information cannot be denied when the request is backed by shareholders representing at least twenty-five percent of the share capital.*

*5.4 When, prior to the formulation of a specific question under sections 1 and 2 above, the information requested is clearly, expressly and directly available to all shareholders on the Company’s website under the question-answer format, the Board of Directors may limit its response to the information provided in that format.»”*

**Item 15.7 on the Agenda:** “Amendment of Article 7 (“Representation. Distance voting and voting by brokerage houses”).

In relation to Item 15.7 on the Agenda of the General Meeting, the Board of Directors proposes the following resolution:

“Amendment of Article 7 (“Representation. Distance voting and voting by brokerage houses”), of the Regulation for the General Meeting of Shareholders, which shall now be called: Right of Representation. Distance voting and voting by brokerage houses”, and shall read as follows:

**«Article 7.- Right of Representation. Distance voting and voting by brokerage houses.**

**7.1 Right of representation.**

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

*The appointment of the representative by the shareholder and the notification of the appointment to the Company may be made in writing or by electronic means, provided that the identity of the subject participating and the security of the electronic communications are duly guaranteed.*

*The powers of representation must be conferred for each meeting.*

*The documents attesting to the representation for the General Meeting will include the identification of the individual attending in the place of the shareholder, who must properly identify themselves on the day of the Meeting.*

*If completed in favour of the Board of Directors, or if nothing is specified in this regard, it shall be understood that the representation has been granted to either the Chairman of the Board of Directors, the Chief Executive Officer or the Secretary of the Board of Directors. Should the designated representative find him or herself with a conflict of interest when voting on the proposals submitted to the General Shareholders' Meeting on or off the agenda, and for which the person represented did not leave clear instructions, this representation shall be understood to be transferred to either of the other two persons mentioned who are not affected by this circumstance.*

*The documents with the representations for the General Meeting shall reflect the instructions with regard to the way to vote, with the proviso that, where nothing is mentioned, the representative will give precise instructions to vote in favour of the proposed resolutions put forward in the agenda and, unless told otherwise by the shareholder, the representative will vote on the issues that do not feature on the Agenda and, being yet unknown at the time of delegation, they may be subjected to voting in the Board, in which case the representative will issue a vote in the manner that he or she considers most favourable for the interests of the Company and the person represented.*

*The rulings contained in the Law shall apply in cases where the Company's directors make a public request for representation.*

#### **7.2 Distance voting**

*For any type of General Meeting, the vote on proposals on items covered in the agenda may be performed by the shareholder by means of postal or electronic correspondence, provided that the identity of the subject exercising the right to vote and the security of the electronic communications are duly guaranteed.*

*Shareholders casting a distance vote are to be considered as present in convening the Meeting.*

#### **7.3 Common rules.**

*The call notice convening the General Shareholders' Meeting and the Company's web page shall indicate the rules, manner and procedures approved by the Board in order to grant representation and vote by means of remote communication.*

#### **7.4 Voting by brokerage houses.**

*Entities considered to be legitimate shareholders by virtue of the book value of their shares, yet acting on the behalf of several individuals, may by all means divide their vote and cast opposing votes in order to comply with differing instructions, if indeed they had received such instructions to that effect.*

*The brokerage houses referred to in the paragraph above may delegate their vote to each of the indirect titleholders or third parties appointed by them, without having to limit the number of appointments made.»*

**Item 15.8 on the Agenda:** "Inclusion of the new Article 8 ("Attendance, proxy and distance voting cards")."

**In relation to Item 15.8 on the Agenda of the General Meeting, the Board of Directors proposes the following resolution:**

**"Inclusion of Article 8 ("Attendance, proxy and distance voting cards") of the Regulation for the General Meeting of Shareholders to read as follows:**

**«Article 8.- Attendance, proxy and distance voting cards**

8.1 The Company may propose to the entities participating in the Sociedad de Gestión de los Sistemas de Registro, Compensación y Liquidación de Valores, S.A.U. (Iberclear) and to intermediary, managing and depository entities in general, the attendance, delegation and voting cards model, as well as the wording to which this document must conform in order to delegate representation at the General Shareholders' Meeting in favour of another person, which may provide, in the event of an absence of specific instructions from the represented shareholder, the manner of the representative's vote in relation to each of the proposed resolutions formulated by the Board of Directors for each item on the agenda of the Meeting. The attendance, proxy and voting card may also provide for the identity of the representative and the substitute or substitutes for the representative in the event of a conflict of interest, in the absence of express designation by the represented shareholder.

The Company will ensure that the cards issued by these entities are uniform and include a bar code or other system that allows these cards to be read electronically or telematically to facilitate the computerised counting of those attending the meeting.

8.2 Proxy or voting instructions from shareholders acting through intermediary, managing or depository entities may be received by the Company through any valid system or means of remote communication, signed by the shareholder or the entity. The entities may group the instructions received from the shareholders and send them en bloc to the Company, indicating the manner in which to vote in these instructions. All this is provided that it is permitted by law.

8.3 In the event that an intermediary, technical, managing or depository entity sends the Company the attendance, proxy and voting card or means of accreditation of a shareholder duly identified therein, with the signature, stamp and/or mechanical impression of the entity, it shall be understood, unless expressly indicated otherwise by the shareholder, that the shareholder has instructed this entity to exercise the right of representation or vote, as appropriate, in the manner indicated on this card or means of proof of representation or vote, applying, in the event of doubt regarding these instructions, the provisions of these Regulations, all in accordance with the law.

8.4 For matters not specifically governed in this article, the remaining rules contained in the Articles of Association and these Regulations, as well as, where applicable, those established by the Board of Directors in the development thereof, will be applied to the delegations and distance votes referred to in this article, and in all cases the Company is not involved in the relations between financial intermediaries and their customers with respect to those who hold or manage Company shares.

**Item 15.9 on the Agenda:** “Amendment of Article 9 (“Chairing the General Meeting”) and deletion of the existing Article 10 (“General Meeting Executive”).”

In relation to Item 15.9 on the Agenda of the General Meeting, the Board of Directors proposes the following resolution:

“Amendment of Article 9 (“Chairing the General Meeting”) of the Regulation for the General Meeting of Shareholders, which shall now be called “Chairing the General Meeting. Meeting Executive” and shall read as follows, and deletion of the existing Article 10 (“General Meeting Executive”), the content of which shall be included in Article 9:

**«Article 10.- Chairing the General Meeting. Meeting Executive.**

10.1 The Presiding Commission of the General Meeting will be made up of the Board of Directors.

10.2 Chairman and Secretary of the Board

The Chairman of the Board or, in his absence the Vice-Chairman, shall preside over the General Shareholders' Meeting. The Secretary to the Board shall act as Secretary to the Meeting.

*In the absence of the persons mentioned in the preceding paragraph, the role of Chairman and Secretary shall be performed by the persons designated by the attendees at the Meeting.*

*10.3 The powers of the Chairman of the Board shall be the following:*

- a) Open the session.*
- b) Check that the constitution of the General Shareholder's Meeting is valid and, if so, declare it quorate.*
- c) Request the presence of a notary to write the minutes of the Meeting if required to do so by the Board of Directors.*
- d) Resolve any queries, explanations or claims in relation with the list of attendance, the identity and legitimacy of the shareholders and representatives, the authenticity and integrity of the attendance cards, proxy and distance voting cards and the corresponding accreditation means, and any issues in relation with the exclusion, suspension or limiting of political rights and especially the voting rights of the shares in accordance with the Law.*
- e) Address the General Meeting, if considered appropriate, to explain the situation of the Company, and to present the results, objectives and projects it has.*
- f) Give the floor to such Board Members or Directors as he or she deems appropriate to address the General Shareholder's Meeting.*
- g) Arrange and control the interventions, giving the floor to the shareholders on request, retiring and refusing this permission when it is felt that an issue has been discussed enough, is not on the Agenda or is likely to disrupt the orderly progress of the Meeting, and rejecting proposals made by shareholders when they are inappropriate or untimely.*
- h) Indicate the time to cast votes.*
- i) Establish the voting systems and procedures, organise the voting and determine the system of counting and calculating the votes.*
- j) Announce the result of the votes.*
- k) Suspend the General Meeting temporarily.*
- l) Declare the closure of the Meeting.*
- m) In general, perform the other faculties, including order and discipline, required for the orderly progress of the Meeting.*

*10.4 The Chairman of the Meeting may, despite being present, delegate the control of the debate and other functions such as advancing and calling the meeting to order as he or she deems appropriate to another Member of the Board or the Secretary of the General Meeting, who will carry out these functions on his or her behalf, and may recover these functions at any time.»*

**Item 15.10 on the Agenda:** “Amendment of Article 11 (“Procedure”).”

In relation to Item **15.10** on the Agenda of the General Meeting, the Board of Directors proposes the following resolution:

“Amendment of Article 11 (“Procedure”) of the Regulation for the General Meeting of Shareholders, which shall now be called “Development of the General Meeting” and shall read as follows:

**«Article 11.- Development of the General Meeting.**

*11.1 On opening the session the Secretary shall read out the details of the call and attendance based on the attendance list created by the Board for this purpose. The list shall state the nature or representation of each one and the number of shares owned or held in representation.*

*The list of attendees may also be prepared as a file or stored on a digital medium. In such cases, the medium used shall be included in the Minutes and the sealed cover of the file or the medium shall carry the appropriate certificate identifying it, signed by the Secretary and counter-signed by the Chairman.*

*11.2 The summary of the list of attendees will determine the number of shareholders present or represented, as well as the amount of the capital held, specifying those shareholders that have the right to vote.*

*11.3 On checking the attendance list, the Chairman shall then declare the Meeting to be quorate, if appropriate. The Secretary of the Meeting, or where applicable, the Notary requested to take the Minutes of the Meeting by the Company, shall ask the attendees if they wish to make any reservations or challenge the statements made by the Chairman concerning the attendance details regarding shareholders and capital. Any shareholder who makes a reservation must display their attendance card to the auxiliary staff of the Presiding Commission, these being the persons responsible for checking and correcting the error, as the case may be.*

*11.4 Next, the Chairman shall report to the Meeting on the most relevant aspects of the financial year and the Board's proposals. The presentation may be completed by persons so authorised by the Chairman. The Chairman of the Audit Committee or any of its members representing the Audit Committee shall be available at the Meetings to respond to questions raised by the shareholders on matters of its competence. Furthermore, the Chair of the Audit Committee and the Chair of the Appointments, Remuneration and Corporate Governance Committee may, at the request of the Chairman of the Board, report on the activities of the Committees of which they form part and on any particularly material matters that have occurred during the year in relation to matters within their competence.*

*11.5 Once the presentation referred to in the previous section has ended, in order to facilitate the development of the event, the Chairman shall ask the shareholders who wish to take the floor to contact the corresponding services, showing their attendance card in order to organise their turns to speak. If the shareholder wishes to request that their intervention be recorded verbatim in the Minutes of the General Shareholders' Meeting, they must submit it in writing, at that time, to the corresponding services or, if appropriate, to the notary, so that they can proceed to check it when the shareholder's intervention takes place.*

*The Chairman of the General Shareholders' Meeting will then give the floor to the shareholders who have requested to intervene, determining the maximum time initially assigned to each intervention, which will be the same for shareholders, and directing and maintaining the debate within the limits of the agenda. The Chairman may stop the discussion when the matter, in his opinion, has been sufficiently debated and shall then submit the different proposed resolutions to a vote, with each resolution being read by the Secretary. The reading of the proposals may be extracted, at the Chairman's discretion, provided that shareholders representing a majority of the subscribed capital with the right to vote present at the Meeting make no objection and the complete text thereof has been made available to the attendees.*

*11.6 At the General Meeting, those items which are substantially independent must be put to a separate vote.*

*In any case, although they may form part of the same item of the agenda, the following matters must be put to a separate vote:*

- a) The appointment, ratification, re-election or removal of each director.*
- b) Amendments to the Company Articles of Association, each article or group of articles having its own autonomy.*

*11.7 Company resolutions will be adopted by a simple majority of votes from shareholders present or represented at the General Meeting, with a resolution considered as adopted when the share capital present or represented votes more in its favour than against it.*

*For the approval of the resolutions referred to in the second paragraph of article 13 of the Articles of Association and article 9 of this Regulation, if the capital present or represented amounts to more than 50 per cent the resolutions will be approved by absolute majority. However, a favourable vote of two-thirds of the share capital present or represented will be required when the shareholders attending the second call represent twenty-five percent or more of the subscribed capital with voting rights without reaching fifty percent.*

*11.8 When the Chairman of the General Shareholders' Meeting is informed, during the holding of the vote, of the existence of a sufficient number of votes for the approval or rejection of all or part of the proposed resolutions, he may declare them approved or rejected by the General Shareholders' Meeting. This shall not prevent the declaration of a vote against from the shareholders who so request it, for the purposes of challenging or for any other reason.*

*Notwithstanding the foregoing, for each resolution submitted to vote at the General Shareholders' Meeting, at the very least the number of shares for which valid votes have been cast, the proportion of share capital represented by these votes, the total number of valid votes, the number of votes for and against each resolution and, where applicable, the number of abstentions shall be determined.*

*11.9 Pursuant to Article 7 of this Regulation, when the vote is cast electronically the Company will send an electronic confirmation of receipt of the vote to the shareholder or, where appropriate, the intermediary who cast the vote.*

*Notwithstanding the foregoing, after the General Shareholders' Meeting, the shareholder, or a third party appointed by them, may obtain confirmation from the Company that their votes have been validly recorded and accounted for by the Company, unless the shareholder already has this information, as provided for by law.*

*11.10 The resolutions approved and the results of the voting will be published in full on the Company's website within five days following the end of the General Meeting.»*

**Item 15.11 on the Agenda:** "Inclusion of the new Article 12 ("Attendance at the General Shareholders' Meeting via electronic means")."

In relation to Item 15.11 on the Agenda of the General Meeting, the Board of Directors proposes the following resolution:

"Inclusion of the new Article 12 ("Attendance at the General Shareholders' Meeting via electronic means") of the Regulation for the General Meeting of Shareholders to read as follows:

**Article 12.- Attendance at the General Shareholders' Meeting via electronic means.**

*2.1 The Company may authorise attendance to 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 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.*

*12.2 The Board of Directors shall establish the appropriate means and procedures to implement telematic assistance and electronic distance voting during the holding of the General Shareholders' Meeting, adjusting, if necessary, to the legal requisites developed for this system and to the provisions of the Articles of Association and these Regulations. These means and procedures will be published on the Company's website.»*

**Item 15.12 on the Agenda:** "Amendment of Article 13 ("Interpretation")."

In relation to Item 15.12 on the Agenda of the General Meeting, the Board of Directors proposes the following resolution:

"Amendment of Article 13 ("Interpretation") of the Regulation for the General Meeting of Shareholders to read as follows:

**«Article 14.- Interpretation.**

*This Regulation supplements the regime applicable to the General Shareholders' Meeting contained in the commercial legislation in force and in the Articles of Association. If there is any discrepancy between that established in this Regulation and in the Articles of Association, the provisions of the Articles of Association shall prevail.*

*Any doubts that may arise in relation to its interpretation and application shall be resolved by the Board of Directors and any questions that may arise in relation to the application and interpretation of the Regulation during the course of the General Shareholders' Meeting shall be resolved by the Chairman of the General Shareholders' Meeting.»*

**Item 15.13 on the Agenda:** “Approval of a revised text of the Regulation for the General Meeting of Shareholders.”

In relation to Item 15.13 on the Agenda of the General Meeting, the Board of Directors proposes the following resolution:

“Approval of a revised text of the Regulation for the General Meeting of Shareholders, which includes the amendments detailed in the above Items 15.1 to 15.12 on the Agenda, renumbering the articles which are divided up, with the Regulation for the General Meeting of Shareholders drafted as shown in the **Appendix** to these proposed agreements.”

**Sixteenth 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 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 the Chairman of the Board, the Chief Executive Officer, and the 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:**

**Seventeenth Item on the Agenda:** “Information from the Chairman on the most relevant aspects regarding Corporate Governance of the Company.”

**Eighteenth 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.”

"The taking note of the amendment to the Company's Regulations of the Board of Directors approved by the Board of Directors in its meeting dated 17 December 2019, and which is explained in detail in the justificatory report issued by the Board of Directors in accordance with Articles 528 and 518.d) of the Capital Companies Act".

Madrid, 14 September 2020

## APPENDIX

Revised text of the Regulation for the General Meeting of Shareholders

# **REGULATION FOR THE GENERAL MEETING OF SHAREHOLDERS OF**

## **ACERINOX, S.A.**

### **Article 1.- Purpose of the regulation.**

The purpose of the Regulation is to regulate the General Shareholders' Meeting of ACERINOX, S.A. ("the **Company**") supplementing and implementing the rules laid down in the commercial legislation and in the Articles of Association.

The Regulations also seek to foster transparency, efficiency and promotion of the deliberation and decision-making functions of the General Shareholders' Meeting, to guarantee the equal treatment of all shareholders who are in identical conditions with regard to information, participation and the exercise of voting rights at the General Shareholders' Meeting and, in particular, to promote the participation of shareholders and their involvement in the life of the Company. In particular, the Board of Directors shall take appropriate measures to ensure that the accessibility requirements of those in need of such assistance are met.

### **Article 2.- Scope of application and validity.**

These Regulations shall apply from the first General Shareholders' Meeting called after the Meeting at which their approval or successive amendments are resolved, without prejudice to the rights already recognised by the legal and statutory regulations of the shareholders.

The Board of Directors may, at the General Shareholders' Meeting, suggest amendments to the Regulation when it is deemed appropriate or necessary to do so. The proposal shall be accompanied by a report justifying such amendment.

In order for the approval of and amendment to the Regulation to be valid, the resolution must be adopted by the majorities stipulated in the Articles of Association.

### **Article 3.- Types of shareholder meetings and powers.**

The General Meetings may be either Ordinary or Extraordinary.

#### **3.1 Ordinary General Meeting.**

The Ordinary General Meeting, with previous call notice to attend issued to this effect, must meet within the first six months of each financial year in order to, where applicable, approve company management, approve the financial accounts for the last financial year and decide on the distribution of profit.

The Ordinary General Meeting will be valid even if it has been called or held on a date after the six-month term.

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

In addition, the Ordinary General Meeting may consider and resolve any other matter within its competence that appears on the Agenda or when legally required.

### 3.2 Extraordinary General Meeting.

Any meeting other than the one mentioned in the paragraph above will be considered an Extraordinary General Meeting.

### 3.3 Powers of the General Meeting.

The General Meeting shall have the power to consider and agree on the following matters:

- a) The approval of the annual accounts, the distribution of profit and the approval of company management.
- b) The appointment and removal of directors, of liquidators and, where applicable, the account auditors, as well as undertaking any actions against these in accordance with the Company's responsibility.
- c) The amendment of the Company Articles of Association.
- d) The increase or reduction of the share capital.
- e) Restrictions or limitations to the right of preferential subscription.
- f) The acquisition, disposal or provision of another key asset company.
- g) The transformation, merger, division or global assignment of assets and liabilities and the transfer of the registered office abroad.
- h) The dissolution of the company.
- i) The approval of the final settlement balance sheet.
- j) The transfer of entities dependent on key activities undertaken by the Company up to that moment, even if it maintains full control over them.
- k) The transactions whose effects are equivalent to those of liquidating the Company.
- l) The remuneration policy for the Directors according to the terms established by Law.
- m) Any other matter as established by law or in the Articles of Association.

A key activity or operational asset is to be considered as such when the volume of the operation surpasses twenty-five percent of the total assets listed on the balance sheet.

The General Shareholders Meeting has no power to give instructions to the Board of Directors or subject to its authority the adoption by this body of decisions or resolutions regarding management affairs.

## **Article 4. Call notice.**

#### 4.1 Publication.

Both Ordinary and Extraordinary General Meetings shall be called by the Board of Directors, by means of an announcement published in the "Boletín Oficial del Registro Mercantil" [Official Commercial Register Gazette] or in one of the larger circulating daily newspapers in Spain, on the website of the Comisión Nacional del Mercado de Valores and on the Company's web page ([www.acerinox.com](http://www.acerinox.com)). There must be a period of at least one month between the call notice to attend and the date set for the Meeting.

#### 4.2 Content.

The call notice will indicate the name of the Company, the date and time of the meeting, the business included in the agenda and the position held by those convening the meeting.

In addition, it must also state the date and time at which the General Meeting will be held on second call, as the case may be. Between the first and second calls there must be a period of at least twenty-four hours.

The announcement of the call to the General Meeting, in addition to the legally required general references, will also indicate the date on which shareholders must have their shares registered in their name in order to take part and vote in the General Meeting, the place and manner in which the complete documents and proposed resolutions can be obtained, and the address of the company's website where the information and a shareholder information telephone number will be available.

Furthermore, the notice must contain clear and precise information on the procedures that shareholders must follow in order to take part and cast their vote in the General Meeting, including the following points:

- a) The right to request information, to include business in the agenda, and to submit proposals for resolutions, as well as the term for exercising this right. When it is stated that more detailed information on these rights is available on the Company's website, the call notice may merely indicate the term for exercising said rights.
- b) The system for casting votes by proxy, with specific indication of which forms must be used to delegate one's vote and which means must be used so the Company can accept an electronic notification of the appointed representatives.
- c) The procedures established for distance voting, by either mail or electronic means.

#### 4.3 Right to add to the agenda.

Shareholders representing at least three percent of the share capital may request that a supplement be added to the call notice of an ordinary General Meeting, including one or more items on the agenda, provided that the new items are submitted together with an explanation justifying their inclusion or, where applicable, a duly justified proposed resolution. Under no circumstances may this right be exercised for call notices to attend an Extraordinary General Meeting.

The right must be exercised by providing notice by attested means, which must be received at the registered office within five days following publication of the

notice to attend. The supplement to the notice must be published within a minimum of fifteen days prior to the date set for the Shareholders Meeting. Failure to publish the supplement within this period will be deemed a reason to challenge the Meeting.

#### 4.4 Right to present new resolution proposals.

Shareholders representing at least three percent of the share capital may, within the same period indicated in the above paragraph, submit justified proposals for resolution on matters already included or which may be included on the agenda of the Meeting called. The Company shall ensure the distribution of these proposals for resolution and, where applicable, of the accompanying documentation, to the remainder of the shareholders in accordance with the provisions in the Law.

#### 4.5 Request to call to meeting by minority.

The Board of Directors must call a General Meeting when requested to do so by one or more shareholders who represent at least three percent of the share capital. The application must include the matters to be addressed.

In this case, the General Meeting must be held within two months following the date on which the directors were formally requested to call it, including in the agenda the matters which are the subject of the request.

### **Article 5.- Information available from the date of the call notice.**

5.1 From the publication of the call to meeting to the moment in which the General Meeting is held, the Company must permanently post the following information on its web page, as a minimum:

- a) The call notice to meeting.
- b) The total number of shares and voting rights as of the date of the call to meeting, itemised by types of shares, if applicable.
- c) The documents which must be submitted to the General Meeting, and in particular, any reports issued by directors, accounts auditors and independent experts.
- d) The complete text of the proposals for resolution for each and every one of the items on the Agenda or, regarding those items which are strictly informative, a report from the competent authorities on each of these items. The proposals for resolution submitted by the shareholders will also be posted, as they are received.
- e) In the case of appointments, ratifications or re-elections of Board Members, the identity, curriculum vitae and category of each, as well as the proposals and reports indicated in the Act.
- f) The forms used in order to vote by proxy or by distance voting, except when these are sent directly to each shareholder by the company. If for technical reasons these cannot be published on the web page, the company must indicate on the site how a hard copy can be obtained. Hard copies must be sent to each shareholder requesting one.

The Company shall also publish other information as is legally required or deemed appropriate to facilitate shareholders' attendance at and participation in the General Shareholders' Meeting.

5.2 The Board of Directors is responsible for approving the operational guidelines of the Electronic Forum of Shareholders. These guidelines will be available on the Company's website.

5.3 Without prejudice to the information published on the Company's website, from the notice call for the General Shareholders' Meeting, any shareholder may examine at the registered office and request the delivery or dispatch, free of charge, of the documents established by law in each case.

5.4 The documentation referenced in paragraph 1 of this article will be made available to the shareholders at the location and on the date of the General Meeting.

#### **Article 5.bis- Right to shareholder information.**

5.1 Up to the fifth day prior to the date set for the Meeting, the shareholders may, in relation to the matters included on the Agenda, request from the Directors any information or clarification they may deem necessary, or put in writing any questions deemed relevant. Shareholders may also request in writing any clarification they feel is necessary on the information available to the public that the Company provided to the National Securities Market Commission from the date of the previous General Shareholders' Meeting and regarding the auditor's report. The Directors shall be bound to provide this information in writing until the day of the General Meeting.

Valid requests for information, clarifications or questions made in writing and written replies provided by the Board of Directors will be included on the Company's website.

5.2 During the General Shareholders' Meeting, the Company's shareholders may verbally request information or clarifications that they deem appropriate regarding the items on the agenda. Shareholders may also request any clarification they feel is necessary on the information available to the public that the Company provided to the National Securities Market Commission and on the auditor's report. Should it not be possible to satisfy the shareholder's right at that time, the directors shall be obliged to provide that information in writing within seven days following the end of the General Shareholders' Meeting.

5.3 The directors must provide the information requested by means of the two paragraphs above, except when this information is irrelevant to the stewardship of the shareholders, or if there are objective reasons to believe that it may be used for purposes alien to the company, or if its publication may be to the detriment of the Company or its related companies.

The supply of this information cannot be denied when the request is backed by shareholders representing at least twenty-five percent of the share capital.

5.4 When, prior to the formulation of a specific question under sections 1 and 2 above, the information requested is clearly, expressly and directly available to all shareholders on the Company's website under the question-answer format, the

Board of Directors may limit its response to the information provided in that format.

## **Article 6.- Right of Attendance**

6.1 Shareholders owning a minimum of three hundred shares may attend the General Meeting, provided that they are registered in the corresponding accounting register five days before the meeting is held, and are in possession of the corresponding attendance card bearing the holder's name issued by the legally appropriate agencies, and, where applicable, by the Company.

Registration of attendance cards shall close at the time set for the Meeting.

6.2 Shareholders who do not possess the number of shares indicated in the paragraph above may pool their shares for the purposes of attendance, appointing from amongst themselves a representative at the Meeting.

## **Article 7.- Right of Representation. Distance voting and voting by brokerage houses.**

### **7.1 Right of representation.**

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

The appointment of the representative by the shareholder and the notification of the appointment to the Company may be made in writing or by electronic means, provided that the identity of the subject participating and the security of the electronic communications are duly guaranteed.

The powers of representation must be conferred for each meeting.

The documents attesting to the representation for the General Meeting will include the identification of the individual attending in the place of the shareholder, who must properly identify themselves on the day of the Meeting.

If completed in favour of the Board of Directors, or if nothing is specified in this regard, it shall be understood that the representation has been granted to either the Chairman of the Board of Directors, the Chief Executive Officer or the Secretary of the Board of Directors. Should the designated representative find him or herself with a conflict of interest when voting on the proposals submitted to the General Shareholders' Meeting on or off the agenda, and for which the person represented did not leave clear instructions, this representation shall be understood to be transferred to either of the other two persons mentioned who are not affected by this circumstance.

The documents with the representations for the General Meeting shall reflect the instructions with regard to the way to vote, with the proviso that, where nothing is mentioned, the representative will give precise instructions to vote in favour of the proposed resolutions put forward in the agenda and, unless told otherwise by the shareholder, the representative will vote on the issues that do not feature on the Agenda and, being yet unknown at the time of delegation, they may be subjected to voting in the Board, in which case the representative will issue a vote in the

manner that he or she considers most favourable for the interests of the Company and the person represented.

The rulings contained in the Law shall apply in cases where the Company's directors make a public request for representation.

#### 7.2 Distance voting.

For any type of General Meeting, the vote on proposals on items covered in the agenda may be performed by the shareholder by means of postal or electronic correspondence, provided that the identity of the subject exercising the right to vote and the security of the electronic communications are duly guaranteed.

Shareholders casting a distance vote are to be considered as present in convening the Meeting.

#### 7.3 Common rules.

The call notice convening the General Shareholders' Meeting and the Company's web page shall indicate the rules, manner and procedures approved by the Board in order to grant representation and vote by means of remote communication.

#### 7.4 Voting by brokerage houses.

Entities considered to be legitimate shareholders by virtue of the book value of their shares, yet acting on the behalf of several individuals, may by all means divide their vote and cast opposing votes in order to comply with differing instructions, if indeed they had received such instructions to that effect.

The brokerage houses referred to in the paragraph above may delegate their vote to each of the indirect titleholders or third parties appointed by them, without having to limit the number of appointments made.

### **Article 8.- Attendance, proxy and distance voting cards**

8.1 The Company may propose to the entities participating in the Sociedad de Gestión de los Sistemas de Registro, Compensación y Liquidación de Valores, S.A.U. (Iberclear) and to intermediary, managing and depository entities in general, the attendance, delegation and voting cards model, as well as the wording to which this document must conform in order to delegate representation at the General Shareholders' Meeting in favour of another person, which may provide, in the event of an absence of specific instructions from the represented shareholder, the manner of the representative's vote in relation to each of the proposed resolutions formulated by the Board of Directors for each item on the agenda of the Meeting. The attendance, proxy and voting card may also provide for the identity of the representative and the substitute or substitutes for the representative in the event of a conflict of interest, in the absence of express designation by the represented shareholder.

The Company will ensure that the cards issued by these entities are uniform and include a bar code or other system that allows these cards to be read electronically or telematically to facilitate the computerised counting of those attending the meeting.

8.2 Proxy or voting instructions from shareholders acting through intermediary, managing or depository entities may be received by the Company through any valid system or means of remote communication, signed by the shareholder or the entity. The entities may group the instructions received from the shareholders and send them en bloc to the Company, indicating the manner in which to vote in these instructions. All this is provided that it is permitted by law.

8.3 In the event that an intermediary, technical, managing or depository entity sends the Company the attendance, proxy and voting card or means of accreditation of a shareholder duly identified therein, with the signature, stamp and/or mechanical impression of the entity, it shall be understood, unless expressly indicated otherwise by the shareholder, that the shareholder has instructed this entity to exercise the right of representation or vote, as appropriate, in the manner indicated on this card or means of proof of representation or vote, applying, in the event of doubt regarding these instructions, the provisions of these Regulations, all in accordance with the law.

8.4 For matters not specifically governed in this article, the remaining rules contained in the Articles of Association and these Regulations, as well as, where applicable, those established by the Board of Directors in the development thereof, will be applied to the delegations and distance votes referred to in this article, and in all cases the Company is not involved in the relations between financial intermediaries and their customers with respect to those who hold or manage Company shares.

#### **Article 9.- Constitution of the shareholders' meeting.**

9.1 The General Shareholders Meeting will meet a quorum on first call when shareholders owning at least twenty-five percent of the subscribed capital with voting rights are present or represented. On second call the General Shareholders Meeting will be deemed to meet a quorum regardless of the share capital in attendance.

9.2 In order for the ordinary or extraordinary General Shareholders Meeting to legitimately agree to an increase or reduction in capital and any other amendment to the Articles of Association, the issuance of new bonds, the elimination or limitation of pre-emptive rights, as well as the transfer, merger, division or global assignment of assets and liabilities and the transfer of the registered offices abroad, shareholders owning at least fifty percent of the subscribed capital with voting rights must be present or represented on first call.

On second call, it will be sufficient if only twenty-five percent are in attendance.

#### **Article 10.- Chairing the General Meeting. Meeting Executive.**

10.1 The Presiding Commission of the General Meeting will be made up of the Board of Directors.

10.2 Chairman and Secretary of the Board

The Chairman of the Board or, in his absence the Vice-Chairman, shall preside over the General Shareholders' Meeting. The Secretary to the Board shall act as Secretary to the Meeting.

In the absence of the persons mentioned in the preceding paragraph, the role of Chairman and Secretary shall be performed by the persons designated by the attendees at the Meeting.

10.3 The powers of the Chairman of the Board shall be the following:

- a) Open the session.
- b) Check that the constitution of the General Shareholder's Meeting is valid and, if so, declare it quorate.
- c) Request the presence of a notary to write the minutes of the Meeting if required to do so by the Board of Directors.
- d) Resolve any queries, explanations or claims in relation with the list of attendance, the identity and legitimacy of the shareholders and representatives, the authenticity and integrity of the attendance cards, proxy and distance voting cards and the corresponding accreditation means, and any issues in relation with the exclusion, suspension or limiting of political rights and especially the voting rights of the shares in accordance with the Law.
- e) Address the General Meeting, if considered appropriate, to explain the situation of the Company, and to present the results, objectives and projects it has.
- f) Give the floor to such Board Members or Directors as he or she deems appropriate to address the General Shareholder's Meeting.
- g) Arrange and control the interventions, giving the floor to the shareholders on request, retiring and refusing this permission when it is felt that an issue has been discussed enough, is not on the Agenda or is likely to disrupt the orderly progress of the Meeting, and rejecting proposals made by shareholders when they are inappropriate or untimely.
- h) Indicate the time to cast votes.
- i) Establish the voting systems and procedures, organise the voting and determine the system of counting and calculating the votes.
- j) Announce the result of the votes.
- k) Suspend the General Meeting temporarily.
- l) Declare the closure of the Meeting.
- m) In general, perform the other faculties, including order and discipline, required for the orderly progress of the Meeting.

10.4 The Chairman of the Meeting may, despite being present, delegate the control of the debate and other functions such as advancing and calling the meeting to order as he or she deems appropriate to another Member of the Board or the Secretary of the General Meeting, who will carry out these functions on his or her behalf, and may recover these functions at any time.

## **Article 11.- Development of the General Meeting.**

11.1 On opening the session the Secretary shall read out the details of the call and attendance based on the attendance list created by the Board for this purpose. The list shall state the nature or representation of each one and the number of shares owned or held in representation.

The list of attendees may also be prepared as a file or stored on a digital medium. In such cases, the medium used shall be included in the Minutes and the sealed cover of the file or the medium shall carry the appropriate certificate identifying it, signed by the Secretary and counter-signed by the Chairman.

11.2 The summary of the list of attendees will determine the number of shareholders present or represented, as well as the amount of the capital held, specifying those shareholders that have the right to vote.

11.3 On checking the attendance list, the Chairman shall then declare the Meeting to be quorate, if appropriate. The Secretary of the Meeting, or where applicable, the Notary requested to take the Minutes of the Meeting by the Company, shall ask the attendees if they wish to make any reservations or challenge the statements made by the Chairman concerning the attendance details regarding shareholders and capital. Any shareholder who makes a reservation must display their attendance card to the auxiliary staff of the Presiding Commission, these being the persons responsible for checking and correcting the error, as the case may be.

11.4 Next, the Chairman shall report to the Meeting on the most relevant aspects of the financial year and the Board's proposals. The presentation may be completed by persons so authorised by the Chairman. The Chairman of the Audit Committee or any of its members representing the Audit Committee shall be available at the Meetings to respond to questions raised by the shareholders on matters of its competence. Furthermore, the Chair of the Audit Committee and the Chair of the Appointments, Remuneration and Corporate Governance Committee may, at the request of the Chairman of the Board, report on the activities of the Committees of which they form part and on any particularly material matters that have occurred during the year in relation to matters within their competence.

11.5 Once the presentation referred to in the previous section has ended, in order to facilitate the development of the event, the Chairman shall ask the shareholders who wish to take the floor to contact the corresponding services, showing their attendance card in order to organise their turns to speak. If the shareholder wishes to request that their intervention be recorded verbatim in the Minutes of the General Shareholders' Meeting, they must submit it in writing, at that time, to the corresponding services or, if appropriate, to the notary, so that they can proceed to check it when the shareholder's intervention takes place.

The Chairman of the General Shareholders' Meeting will then give the floor to the shareholders who have requested to intervene, determining the maximum time initially assigned to each intervention, which will be the same for shareholders, and directing and maintaining the debate within the limits of the agenda. The Chairman may stop the discussion when the matter, in his opinion, has been

sufficiently debated and shall then submit the different proposed resolutions to a vote, with each resolution being read by the Secretary. The reading of the proposals may be extracted, at the Chairman's discretion, provided that shareholders representing a majority of the subscribed capital with the right to vote present at the Meeting make no objection and the complete text thereof has been made available to the attendees.

11.6 At the General Meeting, those items which are substantially independent must be put to a separate vote.

In any case, although they may form part of the same item of the agenda, the following matters must be put to a separate vote:

- c) the appointment, ratification, re-election or removal of each director.
- d) Amendments to the Company Articles of Association, each article or group of articles having its own autonomy.

11.7 Company resolutions will be adopted by a simple majority of votes from shareholders present or represented at the General Meeting, with a resolution considered as adopted when the share capital present or represented votes more in its favour than against it.

For the approval of the resolutions referred to in the second paragraph of article 13 of the Articles of Association and article 9 of this Regulation, if the capital present or represented amounts to more than 50 per cent the resolutions will be approved by absolute majority. However, a favourable vote of two-thirds of the share capital present or represented will be required when the shareholders attending the second call represent twenty-five percent or more of the subscribed capital with voting rights without reaching fifty percent.

11.8 When the Chairman of the General Shareholders' Meeting is informed, during the holding of the vote, of the existence of a sufficient number of votes for the approval or rejection of all or part of the proposed resolutions, he may declare them approved or rejected by the General Shareholders' Meeting. This shall not prevent the declaration of a vote against from the shareholders who so request it, for the purposes of challenging or for any other reason.

Notwithstanding the foregoing, for each resolution submitted to vote at the General Shareholders' Meeting, at the very least the number of shares for which valid votes have been cast, the proportion of share capital represented by these votes, the total number of valid votes, the number of votes for and against each resolution and, where applicable, the number of abstentions shall be determined.

11.9 Pursuant to Article 7 of this Regulation, when the vote is cast electronically the Company will send an electronic confirmation of receipt of the vote to the shareholder or, where appropriate, the intermediary who cast the vote.

Notwithstanding the foregoing, after the General Shareholders' Meeting, the shareholder, or a third party appointed by them, may obtain confirmation from the Company that their votes have been validly recorded and accounted for by the Company, unless the shareholder already has this information, as provided for by law.

11.10 The resolutions approved and the results of the voting will be published in full on the Company's website within five days following the end of the General Meeting.

## **Article 12.- Attendance at the General Shareholders' Meeting via electronic means.**

12.1 The Company may authorise attendance at the General Shareholders' Meeting by electronic 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 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.

12.2 The Board of Directors shall establish the appropriate means and procedures to implement telematic assistance and electronic distance voting during the holding of the General Shareholders' Meeting, adjusting, if necessary, to the legal requisites developed for this system and to the provisions of the Articles of Association and these Regulations. These means and procedures will be published on the Company's website.

## **Article 13.- Minutes of the General Meeting.**

13.1 The Minutes of the Meeting shall be approved by the Shareholders after the meeting is held and, where this is not the case, within a period of fifteen days, by the Chairman of the Meeting and two comptrollers, with one representing the majority and the other representing the minority. The Minutes approved in any of these ways shall have executive force from the date of approval.

13.2 In the event that the Meeting is held with the presence of a Notary, who is required by the Board of Directors to take the Minutes as established in law, the Notarial Minutes shall be deemed the Minutes of the Meeting, and no approval is necessary.

## **Article 14.- Interpretation.**

This Regulation supplements the regime applicable to the General Shareholders' Meeting contained in the commercial legislation in force and in the Articles of Association. If there is any discrepancy between that established in this Regulation and in the Articles of Association, the provisions of the Articles of Association shall prevail.

Any doubts that may arise in relation to its interpretation and application shall be resolved by the Board of Directors and any questions that may arise in relation to the application and interpretation of the Regulation during the course of the General Shareholders' Meeting shall be resolved by the Chairman of the General Shareholders' Meeting.