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 9 MAY 2018 AND ON SECOND CALL ON 10 MAY 2018

Madrid, 22 March 2018

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 9 MAY 2018 AND ON SECOND CALL ON 10 MAY 2018

First Item on the Agenda: "Examination and approval, if applicable, of the financial statement (Balance Sheet, Profit and Loss Account, Status of Changes in the Net Equity for the Financial Year, Cash Flow Statement and the Annual Report) and management reports referring to ACERINOX, S.A. and its Consolidated Group, all of which pertain to the year ended 31 December 2017."

In relation to first item of the Agenda of the General Meeting, the Board of Directors proposes the following resolution:

'Approve the financial statements (Balance Sheet, Profit and Loss Account, Status of Changes in the Net Equity for the Financial Year, Cash Flow Statement and the Annual Report) and Management Report of ACERINOX, S.A., as well as the financial statements and Management Report of its Consolidated Group for the year ended 31 December 2017.

Second Item on the Agenda: "Approval, if applicable, of the proposed distribution of earnings of ACERINOX, S.A. corresponding to the year ended 31 December 2017."

In relation to second item of the Agenda of the General Meeting, the Board of Directors proposes the following resolution:

"Approve the following proposed distribution of earnings of ACERINOX, S.A. for the year ended 31 December 2017.

Result of the financial year .... 7,998,570.07 euros

Appropriation:
- Setting aside legal reserve ………………………… 799,857.01 euros
- Offset previous
  year's losses ………………………………………… 7,198,713.06 euros

Third Item on the Agenda: "Approval, if applicable, of the management of the Board of Directors for the year ended 31 December 2017".

In relation to the third item of the Agenda of the General Meeting, the Board of Directors proposes the following resolution:

"Approve the management of the Board of Directors of ACERINOX, S.A. for the year ended 31 December 2017".

<u>Fourth Item on the Agenda:</u> "Approval, if applicable, of the distribution of a dividend of unrestricted reserves at the amount of 0.45 euros per share to be paid on 5 July 2018.

<u>In relation to the Fourth Item on the Agenda of the General Meeting, the Board of Directors proposes the following resolution:</u>

"Approve the distribution of a dividend of unrestricted reserves for sum of 0.45 euros per share of the 276,067,543 euros outstanding shares, amounting to 124,230,394.35 euros. This dividend will be paid on 5 July 2018".

<u>Fifth Item on the Agenda:</u> "Amendment to Article 25 of the Articles of Association, (Remuneration of Directors)."

<u>In relation to the Fifth Item on the Agenda of the General Meeting, the Board of Directors proposes the following resolution:</u>

Amend Article 25 of the Articles of Association to read as follows:

"Article 25. Remuneration of Directors.

1. The office of Director shall be remunerated.

2. Directors shall earn a fixed annual fee, on a pro-rata per-day basis in the event their functions are not performed throughout the entire year. The fixed remuneration will be payable monthly in arrears.

This fixed remuneration will be complemented by the payment of attendance fees, which will only be perceived by those attending each session in person or by teleconference.

Directors who serve on Board Committees shall also be entitled to the attendance fee indicated, which shall be the same amounts that apply for sitting on the Board, and in the same cases as in the latter.

Attendance fees paid to Chairmen/women of the Board and Committees shall be twice that of the other Directors.

3. The amount of the previously mentioned fees will be determined by the Board of Directors as part of the board member remuneration policy, always within the yearly amount set out and in compliance with the other criteria included in the Directors' remuneration policy, which will be approved by the General Shareholders' Meeting at least every three years as a separate item of the agenda. The yearly remuneration of the Directors shall vary, depending on the functions and responsibilities assigned to each of them, on whether they are members of a Board Committee, and on other objective circumstances that are deemed relevant.

4. When a member of the Board of Directors is appointed as the Managing Director or conferred executive functions for some other reason, a contract must be drawn up between this individual and the Company, which must be previously approved by the Board of Directors, with the vote in favour of two-thirds of its members. The director in question must abstain from attending the discussion and participating in the vote. The approved contract must then be

attached to the meeting minutes. For Executive Directors, the right to remuneration derived from their condition as Member of the Board shall be compatible with their right to remuneration for their Senior Management position.

5. The contract shall set out all of the items for which the Executive Director may be remunerated for the performance of the executive duties and responsibilities and it will consist of a fixed remuneration, a variable bonus subject to the achievement of objectives, a long-term incentive consisting of company shares according to metrics that align his or her interests with those of the Company, the attendance fees he or she receives as a member of the Acerinox board and those of its subsidiaries, and, where applicable, the same payments in kind as the other members of Senior Management. The Company shall also make a yearly contribution to its savings and social insurance provision subject to the conditions set out in the regulations governing Senior Management remuneration, in accordance with the Remunerations policy approved by the General Shareholders' Meeting and the limits set therein.

The Chief Executive Officer's contract shall include any severance pay to which he or she is entitled as a result of dismissal by the Company, which must not exceed the figure established in the Remunerations Policy.

6. The Secretary of the Board, or Vice-Secretary if applicable, shall be remunerated as specified in the Regulations of the Board of Directors".

Sixth Item on the Agenda: Approval, if applicable, of the Directors' Remunerations Policy 2018-2020, in compliance with the provisions of Article 529 section 19 of the Capital Companies Act.

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

"In compliance with what is established in article 529 section 19 and concordant articles and in accordance with the Capital Companies Act, 16.I), and 25.3 of the Articles of Association, and 11.III.B.f) of the Acerinox S.A. Board of Directors Regulations, on the motion of the Acerinox S.A. Board of Directors, and following a report prepared by the Appointments, Remuneration and Corporate Governance Committee, the following Policy for the Remuneration of Directors is hereby submitted for the approval of the General Shareholders' Meeting:

I.- Director Remuneration in General

1) The remuneration for members of the Board of Directors in their capacity as such shall be the following:

   a) A fixed annual remuneration of 60,614.26 euros, divided into 14 payments. Periods of less than one year will be apportioned correspondingly.

b) An additional remuneration of 1,855.55 euros for each meeting of the Board of Directors that is attended, even if said attendance is performed on-line.

c) An additional remuneration of 1,855.55 euros for each meeting of the Executive Committee, the Audit Committee, or the Appointments, Remunerations and Corporate Governance Committee that is attended, even if said attendance is performed telephonically.

d) In the event that other committees are created in the future, the additional remuneration earned shall be the same as the amount established in letters b) and c), unless the Board proposes otherwise.

e) The Chairman of the Board of Directors will receive a fixed remuneration of 121,228.52 euros, as well as an additional one of 3,711.10 euros for each meeting of the Board of Directors he attends. Chairmen of the other Committees will receive an attendance fee of 3,711.10 euros for each Committee meeting that they attend in said capacity.

f) If a Vice-Chairman is appointed, said individual would only receive the amounts assigned to the Chairman in proportion to the sessions where the Vice-Chairman substitutes the Chairman.

g) Unless he is a manager of Acerinox, the Secretary of the Board or a Committee will receive the same remuneration as the directors, regardless of holding this position or not.

The maximum annual remuneration to be paid to the group of directors, for their position as such, shall be:

- A total of 1,750,000 euros for the items stated under letters a) through g), both inclusive.

The aforementioned amounts may or may not be updated annually, provided this policy remains in force, through the decision of the Board of Directors and with a prior report drawn up by the Appointments, Remuneration and Corporate Governance Committee on the basis of rationality and prudence.

II.- Remuneration of Directors who perform executive duties at Acerinox S.A.

1) <u>Prior considerations</u>

A special contract must be executed between an individual and the company when the former performs executive duties; said special contract must be approved by the Board of Directors by a majority of two thirds.

A special clause shall determine the effects of acquiring the status of director and any future loss of this status should the director have been an employee of Acerinox, under any condition and in any position. This clause shall resolve any doubts that could arise from the change in the individual's relationship with the company, in accordance with legislative and case law interpretations at any given time.

At present, the only Director who performs executive functions at Acerinox, S.A. is the Chief Executive Officer (hereinafter the "Executive Director") and, therefore the references are made to him. If, in the future, there are more executive directors, the Board of Directors will determine their conditions, within the framework of this Policy and the Regulations on the remuneration of Senior Management.

2) Fixed remuneration

The Executive Director shall receive a fixed remuneration of 500,000 euros.

3) Variable remuneration

3.1 Bonus

The bonus pool, participation in the bonus pool and its effects.

The "bonus pool" refers to an amount equivalent to 0.425% of the consolidated Ebitda of the Acerinox Group for the previous tax year at the time of the bonus payment.

The bonus pool has an upper limit, which is the amount equivalent to 250% of the sum of all the bonus targets of Senior Management members, including the Executive Director, as described below.

Bonus Target:

The Senior Management members, including the Executive Director, will receive an annual bonus for fulfilling the objectives set by the Board of Directors.

The so-called "bonus target" will be received by the Executive Director, in principle, in the event that he fulfils the exact objectives assigned to him. The amount will be 100% of his fixed remuneration.

Exceeding the objectives shall be rewarded by the application of a multiplier greater than 100% and up to 250% of the bonus target, which will occur if the fulfilment of the objectives exceeds 130% of those assigned as targets.

Fulfilling objectives below targets will result in the application of a multiplier less than 100% of the bonus target, and as low as 0% if the assigned objectives are not fulfilled by at least 70%.

The preliminary individual bonus shall be the product of the bonus target multiplied by the weighted coefficient of the achievement of personal objectives. If the sum of the individual bonuses of all Senior Management does not exhaust the amount in the bonus pool, an additional distribution of the surplus will take place, so that the final individual bonus for each executive, including the Executive Director, will be the result of multiplying the individual preliminary bonus by the ratio between the bonus pool and the sum of all of the preliminary bonuses. The same procedure will be applied if the sum of said individual bonuses exceeds the bonus pool, in which case said quotient will be lower than the unit and, consequently, the individual preliminary bonus of the Executive Director will be reduced.

3.2. Long-Term Incentive or LTI

The LTI, with a three-year duration or cycle and for which a new cycle or Plan will be adopted each year to enable the Executive Director, as Senior Manager, to receive an incentive to be paid in Acerinox, S.A. shares of a target amount of 50% of their base salary.

The LTI is implemented through the allocation to each Senior Manager Beneficiary of a certain theoretical number of “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, at the end of each temporary 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.

Determination of the LTI to be received. The total gross number of shares to be distributed on the Settlement Date for each cycle, in the event of meeting the established requirements, will be determined on the Date of Calculation according to 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 dependant on the level of fulfilment of the objectives to which the Plan is linked and which will be determined in accordance with the Regulations approved by the Board.

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 (hereinafter, 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.

In order to calculate the Achievement Coefficient attained for each degree of fulfilment of each objective, a scale of achievement has been decided for each of the Metrics, as detailed below:

(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, corresponding to Acerinox and each of the companies in the Reference Group, which will be composed of companies listed on the IBEX-35 Index which are related to the regulation of each Plan. The companies of this Reference Group, including Acerinox, will be ordered from the largest to the smallest according the corresponding TSR for each company. The departure of any of these companies from the IBEX 35 during the Plan's duration will not affect its inclusion in the Reference Group. If a company goes out of business or disappears, it will be considered to be in last place in the Reference Group.

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 is 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 in the 75th percentile of the Reference Group (8th position in the ranking) ("maximum compliance level"), the payment coefficient will be 200% of the 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.

In the event of a transformation, merger or demerger of any of the companies that make up the Reference Group, the TSR will be used until the moment of the transformation, merger or demerger, and afterwards the

TSR of the company which maintains the share price code which corresponded to the original company at the start of the Plan.

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.

By way of example and in the event that no changes occur in the Reference Group, the Payment Coefficient shall be as follows:

Position in the ranking	% of Target Incentive to be distributed
1st-8th	200%
9th	179%
10th	157%
11th	136%
12th	114%
13th	93%
14th	71%
15th	50%
16th	- hereinafter 0%

(ii) Return on Equity (hereinafter, “ROE”):

This Metric makes up 25% of the Weighted Achievement Coefficient. For these purposes ROE is understood to be the ratio “(Net Profit - minorities / equity)". At the end of each cycle, the ROE will be calculated in respect of Acerinox and each of the companies in the Reference Group, which will be composed of companies 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 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, according to the following scale:

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

- For an average position in the Reference Group (5th position in the ranking) (“minimum compliance level”), the payment coefficient will be 50% of the Initial Target Incentive.

- For a position in 75th percentile or higher of the Reference Group (2nd position in the ranking) (“maximum compliance level”), the payment coefficient will be 200% of the 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.

The Board of Directors of Acerinox, following the report of the AR&CGC, will have the power to adapt, where necessary, the composition of the Reference Group when faced with unforeseen circumstances that affect the companies which initially made up the group, in accordance with the provisions of this section, or when the adaptation to Acerinox's strategic objectives so requires. If a company dissolves, it will be considered to be in last place in the Reference Group.

By way of example and in the event that no changes occur in the Reference Group, the Payment Coefficient shall be as follows:

Position in the ranking	% of Target Incentive to be distributed
1st-2nd	200%
3rd	150%
4th	100%
5th	50%
6th-8th	0%

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, in other words, the 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, 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) during a period of one year from the date of receipt. After that period has passed, the shares will be freely disposable.

Settlement of the Plan and Valuation of the distributed shares.

The settlement of the Plan will be carried out in the 30 days following the approval of the corresponding annual accounts at the end of each Plan and will be paid to the directors before 30 July of that year. The number of shares that must be awarded shall be calculated by taking into account the value of the Acerinox shares at the beginning of the respective Plan, any subsequent increase or decrease in their value being borne by the director.

4) Contribution to the Social Welfare System (SWS)

Proprietary and Independent Directors of the Company are not beneficiaries of long-term savings systems.

The Executive Director is the object of a retention plan articulated by means of a long-term savings system with a defined benefit, and with the following characteristics:

i) Retirement. This (SWS) shall guarantee that Executive Director receives a constant, lifetime pension, supplementary to social security pension, so that when added to the annuity recognised by the Spanish social security system or the equivalent or similar body abroad - or the total sum of these - they amount to the equivalent of 75% of the pensionable salary to be received. In the event of the death of the Executive Director, their spouse shall receive a life annuity which, together with that received from the social security, will be equivalent to 53.33% of the pension that the Executive Director had been receiving.

ii) Disability. These contracts shall guarantee that an Executive Director, in the event of a total or absolute permanent disability or severe disablement, recognised by the competent institutions, shall receive a life annuity supplementary to social insurance so that, added to the pensions recognised by the Spanish social security system or an equivalent or similar body abroad - or the total sum of these - the equivalent of 75% of the pensionable salary shall be obtained. In the event of the death of the Executive Director due to any of the disabilities described herein, his or her spouse shall receive a life annuity which combined with the widow's pension provided under the state social security system shall be in an amount equivalent to 53.33% of the total which the Executive Director had been receiving when the disability is declared.

iii) Death of the active Executive Director. These contracts shall guarantee their spouse a life annuity, supplementary to the social security so that, added to the pensions recognised by the Spanish social security system or similar equivalent body abroad - or the total sum of these - they amount to the equivalent of 40% of the pensionable salary. In the death of the director in active service, the children who fulfil the requirements under the Social Security Law and its complementary provisions for the receipt of an orphan's pension, providing they meet the stated requirements, will each receive a pension supplementary to that provided by the Social Security so that they receive ten percent (10%) of the pensionable salary.

iv) The total amount of the widow's and/or orphan's pension may not exceed, in any case, 75% or, if appropriate 100%, of the retirement pension or disability allowance that was being received.

v) When the orphan has been classified as being disabled (above a degree of 50%) in accordance with current regulations, the pension to be paid to the said orphan will be understood to persist until their recovery, regardless of their age.

vi) Only for retirement benefits and those covering both total and absolute permanent disability can the payments of future pensions be substituted by the receipt of a lump sum equivalent according to that established in the insurance policy. If the Executive Director had used this facility to receive a lump sum, the surviving spouse will not receive any amount after the death of the said director.

vii) These obligations for future commitments of the company will be outsourced in policies taken out with insurance companies, which shall always be a company of renowned prestige and solvency, and mediated by a reputable broker.

The pensionable salary is the amount resulting from the annual application to the fixed payment received by the Executive Director for 2017 of the lesser of the following two amounts: the Spanish positive RPI or 2%.

In order to start receiving the retirement pension supplement from the SWS, the director must have reached 65 years of age or have reached the age that the company and Executive Director have mutually agreed. Likewise, in the event that the relationship is terminated at the behest of the company and grounds other than gross and culpable breach on the part of the Executive Director, the latter shall have the right to all funds accumulated or constituted up to the date of the dissolution of the relationship in the amount that exceeds the compensation received by the manager as severance pay. In the case of the current Executive Director, if said excess of the mathematical provision does not reach the three total remuneration annuities (without LTI or payment-in-kind) at the time when the events occur, the difference must be added to complete said amount, either by means of an additional contribution to the accumulated funds or in the manner that the parties decide by mutual agreement. The Executive Director will have same right in the event there is a change of control of Acerinox S.A. or the subsidiary to which they provide their services, or if there was a substantial change in their position or working conditions. For this purpose, a significant change of control is considered a change in ownership of the company which results in a renewal of the governing bodies of the said company, the content and approach towards its main activity or the transfer of the head office to another country.

5) <u>Other items</u>

5.1 The Executive Director, in addition to the attendance fees that accrue for attending meetings of the Board of Directors of Acerinox SA or its Committees, may receive attendance fees derived from attending meetings of professional bodies of subsidiary companies. The perceived amount these last points may not exceed 100,000 euros per year.

5.2 The Executive Director shall have the right to the use of a company vehicle and a paid insurance policy to cover accidental death as well as medical care for the director and his/her family.

6) Clawback

The Executive Director's contract shall provide for the need to return shares that have been given under the relevant LTI Plan or offset the return of said shares with other amounts the Executive Director is entitled to receive if during the two years subsequent to the date of liquidation of the relevant Plan losses occur that are attributable to a negligent management during the period assessed or a need to reconfigure the company's financial statements if this is deemed to be mandatory by the external auditors, unless the cause thereof is a change in accounting rules.

7) Compensation

The Executive Director shall be entitled to compensation corresponding to two years of their full and total remuneration, except for what is received through the LTI and payment-in-kind. All contracts signed with future executive directors shall have the same limit.

8. Establishment

A Regulation approved by the Board of Directors may establish the characteristics of said remuneration system without exceeding the above limits.

III. Maximum amount of the annual remuneration payable to all members of the Board of Directors in their capacity as such.

To directors in their capacity as such, 1,750,000 euros.

IV. Maximum amount to be received by the Executive Director for the exercise of executive functions.

The maximum remuneration to be received by the Executive Director during 2018 for the performance of executive duties and responsibilities and on the assumption that the maximum variable remuneration target is achieved is 1,750,000 euros.

This amount does not include the cost of hypothetical compensation for dismissal or the contributions to the SWS, which are estimated to be similar in amount to those in 2017. The amount of the LTI is not included either, as this new incentive will begin to accrue for the first time, as appropriate, in 2021, following the timely measurement of the metrics in the 2018-2020 period. In the event that new executive directors are appointed, the figure indicated in Section IV will increase in accordance with the remuneration of these new directors.

V. Period of validity of the Remuneration Policy.

The Company will apply this Director Remuneration Policy in 2018, 2019 and 2020. Any modification or replacement of the policy during said period will require the prior approval of the General Shareholders' Meeting, in accordance with the provisions of the current legislation.

Seventh Item on the Agenda: **"**Re-election, ratification and appointment of directors, as applicable:

7.1. Re-election of Mr. Rafael Miranda Robredo as an Independent Director.

7.2. Re-election of Mr. Bernardo Velázquez Herreros as Executive Director.

7.3. Re-election of Mr. Santos Martínez-Conde Gutiérrez-Barquín as Proprietary Director.

7.4. Re-election of Mr. Mvuleni Geoffrey Qhena as a Proprietary Director.

7.5. Appointment of Mr. Katsuhisa Miyakusu as a Proprietary Director in replacement of Mr. Yukio Nariyoshi.

Likewise, in relation to points 7.1. of the Item of the Agenda of the General Meeting, the Board of Directors, upon the proposal of the Appointments, Remuneration and Corporate Governance Committee, proposes the following resolutions:

7.1 "Re-elect Mr. Rafael Miranda Robredo to his position as Director of ACERINOX, S.A. for a period of four years as provided in the Articles of Associations, who would otherwise have had to step down as the statutory term for which he was nominated at the Meeting held on 10 June 2014 has reached its conclusion and is subject to re-election. Mr. Miranda Robredo is appointed as an Independent Director".

The Board of Directors, subject to a report from the Appointments, Remuneration and Corporate Governance Committee, proposes the following resolution with regard to point 7.2 of the Agenda:

7.2 "Re-elect Mr. Bernardo Velázquez Herreros to his position as Director of ACERINOX, S.A. for a period of four years as provided in the Articles of Association, who would otherwise have had to step down as the statutory term for which he was nominated at the Meeting held on 10 June 2014 has reached its conclusion and is eligible for re-election. Mr. Velázquez Herreros is appointed as Executive Director."

The Board of Directors, subject to a report from the Appointments, Remuneration and Corporate Governance Committee, proposes the following resolution with regard to point 7.3 of the Agenda:

7.3 "Re-elect Mr. Santos Martínez-Conde Gutiérrez-Barquín to his position as Director of ACERINOX, S.A. for a period of four years as provided in the Articles of Association, who would otherwise have had to step down as the statutory term for which he was nominated at the Meeting held on 10 June 2014 has reached its conclusion and is eligible for re-election. Mr. Martínez-

Conde Gutiérrez-Barquín is appointed as Proprietary Director on behalf of Corporación Financiera Alba, S.A."

The Board of Directors, subject to a report from the Appointments, Remuneration and Corporate Governance Committee, proposes the following resolution with regard to point 7.4 of the Agenda:

7.4 "Re-elect Mr. Mvuleni Geoffrey Qhena to his position as Director of ACERINOX, S.A. for a period of four years as provided in the Articles of Association, who would otherwise have had to step down as the statutory term for which he was appointed at the Meeting held on 10 June 2014 has reached its conclusion and is eligible for re-election. Mr. Qhena is appointed Proprietary Director on behalf of Industrial Development Corporation."

The Board of Directors, subject to a report from the Appointments, Remuneration and Corporate Governance Committee, proposes the following resolution with regard to point 7.5 of the Agenda:

7.5. "Appoint Mr. Katsuhisa Miyakusu as Director of ACERINOX, S.A., for a period of four years, as set out in the Articles of Association. Mr. Miyakusu is appointed Proprietary Director on behalf of Nisshin Steel Co. Ltd. Mr. Miyakusu replaces Mr. Yukio Nariyoshi, likewise a Proprietary Director on behalf of Nisshin Steel Co. Ltd., who steps down from the position of Director of Acerinox, S.A., having submitted his resignation.

Eighth Item on the Agenda: "Authorisation for the Board of Directors, in accordance with the provisions of Article 297.1.b) of the Capital Companies Act, to increase the share capital by means of monetary contributions on one or more occasions, at any time, up to the amount of 34,508,442 euros within a period of five years, starting from the moment of authorisation by the General Shareholders' Meeting. Delegation to the Board of Directors to exclude the pre-pre-emptive subscription right, as established in Article 506 of the Capital Companies Act."

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

"To empower the Board of Directors, as broadly as is required by Law, so that, in accordance with the provisions of Article 297.1.b) of the Capital Companies Act, it may increase the share capital on one or more occasions, up to a maximum amount of 34,508,442 euros (equivalent to half the share capital at the time of the holding of the General Shareholders' Meeting), on one or more occasions and at any time, within a period of five years, starting from the date of the holding of said Shareholders' Meeting, by means of the issuance of new shares, which may be ordinary, privileged, redeemable, non-voting or of any other kind permitted by Law, with or without a share premium, consisting of the consideration of new shares to be issued in monetary contributions, with the power to set the terms and conditions of the capital increase and the characteristics of the shares, as well as to freely offer the new shares not subscribed to in the period or periods of pre-emptive subscription rights, and to establish that, in the event of incomplete subscription, the capital will be increased solely by the amount of the subscriptions made, and to give a new wording to the article in the Articles of Association related to capital.

Similarly, the Board is empowered to exclude, wholly or in part, the pre-emptive subscription right in the terms of Article 506 of the Capital Companies Act. In any case, if the Board decides to suppress the pre-emptive subscription right in relation to any or all of the above-mentioned capital increases, it will issue, at the time of approving the corresponding capital increase agreement, a report listing the reasons of corporate interest justifying such a measure, which will consist of the report of the accounts auditor referred to in Article 506 of the Capital Companies Act. These reports will be made available to the shareholders and sent to the first General Shareholders' Meeting held after the agreement on the increase.

The delegation includes the power to perform all the necessary procedures so that the new shares subject to the capital increase or increases are admitted for trading on the stock exchanges where the ACERINOX shares are listed, in accordance with the procedures envisaged on each of said stock exchanges.

The Board of Directors is also authorised to delegate, on behalf of any person, the delegable powers conferred by virtue of this agreement."

<u>Ninth Item on the Agenda:</u> Approval, where applicable, of a multi-year remuneration plan or Long Term Incentive (LTI) corresponding to the First Cycle of the Plan (2018-2020), addressed to Executive Directors and Senior Management staff of the Acerinox Group, consisting of the payment of a part of their variable remuneration through the distribution of shares.

<u>In relation to the Ninth Item of the Agenda of the General Meeting, the Board of Directors proposes the following resolution:</u>

"2018-2020 Multi-year Remuneration Plan intended for Executive Directors and Senior Management staff of the Acerinox Group

1. <u>Duration:</u>

The LTI has three cycles lasting three years each. The First Cycle of the Plan extends from 1 January 2018 to 31 December 2020. The Second Cycle will start on 1 January 2019 and end on 31 December 2021 and the Third Cycle will begin on 1 January 2020 and end on 31 December 2022.

2. <u>Purpose:</u>

The Long-Term Incentive (LTI) will allow Senior Managers, and among them the Executive Director, hereinafter referred to as "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, should the established requirements be met, will be determined on the Date of Calculation according to 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 (hereinafter, 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, corresponding to Acerinox and each of the companies in the Reference Group, which will be composed of companies listed on the IBEX-35 Index which are related to the regulation of each Plan. The companies of this Reference Group, including Acerinox, will be ordered from the largest to the smallest according 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 is 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 in 75th percentile of the Reference Group (8th position in the ranking) (“maximum compliance level”), the payment coefficient will be 200% of Target Incentive I.

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.

(ii) Return on Equity (hereinafter, “ROE”):
This Metric makes up 25% of the Weighted Achievement Coefficient. For these purposes ROE is understood to be the ratio “(Net Profit – minorities) / equity". At the end of each cycle, the ROE will be calculated in respect of Acerinox and each of the companies in the Reference Group, which will be composed of companies 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 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) during 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 First Cycle of the Plan is based (2018/2020)

The number of shares that must be awarded shall be calculated by taking into account the value of the Acerinox shares at the beginning of the respective Plan, any subsequent increase or decrease in their value being borne by the director.

The maximum number of shares to be awarded in this First Cycle of the Plan is 185,303 shares, which represent 0.07% of the share capital of Acerinox, S.A. In arriving at 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 as of 1 January 2018, 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 First Cycle (2018/2020) 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 done 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.

Greater detail regarding the regulating of this incentive - and in implementing the clawback clause with which it applies - can be obtained in the relevant point of the agenda (Remunerations Policy) with regard to the Executive Director, whose regime is the same as that of the other members of the Senior Management.

6. Authorisation of 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, implement, interpret and perform this Agreement."

Tenth Item on the Agenda: "Delegation of powers to the Board of Directors for the execution, correction and authorisation of the resolutions adopted at the Meeting, and capacity of the powers to convert said resolutions into a public document."

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

Delegate to the Board of Directors of ACERINOX, S.A., the proper interpretation, correction, application, completion, development and implementation of the resolutions passed by the General Meeting, as well as substituting the powers received from the General Shareholders' Meeting and delegating powers for the formalisation and registration thereof, indistinctly authorising Mr. Rafael Miranda Robredo, Mr. Bernardo Velázquez Herreros and Mr. Luis Gimeno Valledor to appear before a Public Notary and convert the foregoing resolutions into a public document. The power to rectify will include the power to make any such modifications, amendments and additions as may be necessary or desirable as a result of objections or observations raised by the regulators of the securities markets, the Stock Exchanges, the Commercial Register and any other competent public authorities relating to the resolutions adopted."

MATTERS FOR ADVISORY VOTE

Eleventh Item on the Agenda: "Submitting the Directors' Annual Remuneration Report of Acerinox, S.A., corresponding to the year ended 31 December 2017, to an advisory vote.

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

"Approve the Directors' Annual Remuneration Report of ACERINOX, S.A., corresponding to the year ended 31 December 2017, referred to in Article 541 of the Capital Companies Act, whose text has been made available to the shareholders, in addition to the rest of the documentation relating to the General Meeting."

MATTERS OF REPORTING

Twelfth Item on the Agenda: "Chairman's report on the most important aspects of the Company's Corporate Governance."

FINAL ITEM TO BE APPROVED

Thirteenth Item on the Agenda: “Appointment of administrators to approve the Minutes of the Meeting.”

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

"Appoint Ms. Mari Luz Blasco Pérez, by majority, and Ms. María Lucía Alonso de Noriega Muñiz, by minority, as auditors to approve the Minutes of the General Shareholders' Meeting of ACERINOX, S.A."

Madrid, 22 March 2018