



**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 22 APRIL 2020**

Madrid, 26 February 2020

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

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 22 APRIL 2020

Issues for Approval:

First Item on the Agenda: “Review and approval, where appropriate, of the Annual Accounts (Balance Sheet, Profit and Loss Account, Statements of Changes in Net Equity of the Year, Cash Flow and Annual Report) and the management reports of ACERINOX, S.A. and its Consolidated Group, for financial year ended on 31 December 2019”.

In relation to first item on 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 2019”.

Second Item on the Agenda: “Review and approval, where appropriate, of the Report of non Financial Consolidated Information regarding 2019 financial year, in accordance with the provisions of the law 11/2018, on 28 December”.

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

“Approval of the Report of non Financial Consolidated Information of ACERINOX, S.A. regarding 2019 financial year, in accordance with the provisions of the law 11/2018, on 28 December”.

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

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

Financial Year Outcome438.827.598,35 Euros

Application:

- To Legal Reserve128.597,21 Euros
- To Dividen Distribution.....108.218.477,20 Euros
- To compensation for negative results from
Previous financial years.....186.367.543,13 Euros
- A 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 on 31 December 2019”.

In relation to the fourth 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, on the distribution of a dividend at the amount of 0.40 euros per share to be paid on 8 June 2020”.

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

“Approval of the distribution of a dividend for sum of 0.40 euros per each share of the 270,546,193 outstanding shares (with the limits of the 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 8 June 2020”.

Sixth Item on the Agenda.- “Refund, where appropriate, contributions to shareholders, through the issuance Premium Account for 0.10 euros per share, to be paid on 8 July 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, charged to the issue Premium Account, for an amount of 0.10 euros per share of the 270,546,193 shares (with the limits of the 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 Issue Premium will be paid to shareholders of ACERINOX, S.A., on 8 July 2020”.

Seventh Item on the Agenda.- “Appointment, where appropriate, of the Directors”:

7.1. Appointment of Mr. Leticia Iglesias Herraiz as a Director of ACERINOX, S.A. for a period of four years as provides in the Articles of Association. Ms. Iglesias Herraiz is appointed in the condition of Independent Director and fills the vacancy left by Mr. Braulio Médel, who leaves the post of Director of Acerinox by submitting his resignation with effective date on 22 April 2020.

In relation to the 7.2. Item on 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:

7.2 Appointment of Mr. Francisco Javier García Sanz as a Director of ACERINOX, S.A. for a period of four years as provides in the Articles of Association. Mr. García Sanz fills the vacancy left by Mr. Mvuley Geoffrey Qhena, Proprietary Director on behalf of Industrial Development Corporation and submitted his resignation as Director of ACERINOX, S.A. with effective date on 2 July 2019.

Eighth Item on the Agenda.- “Appointment of Auditors of Accounts, both of Acerinox, S.A. and its Consolidated Group for the financial year 2020”.

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

“Appoint auditors of accounts to carry out the review and legal audit of the financial statements of ACERINOX, S.A. and its Consolidated Group, for the financial year 2020, to the firm **"PricewaterhouseCoopers Auditores, S.L."** with N.I.F. B-79031290 and with no R.O.A.C, S0242, empowering the Board of Directors of ACERINOX, S.A., to set the conditions and formalize the corresponding contract”.

Ninth item on the Agenda.- “Delegation to the Board of Directors of the precise powers to issue on one or several times, within the maximum period of five years, bonds, bonds, convertible obligations with the power to exclude the right of preferential subscription if the interest of the Company so required, or other fixed income securities in any market, for a total amount of up to three billion (3,000,000,000) euros. Leaving ineffective the authorization granted by the General Shareholders' Meeting of the Company held on 9 June 2016”.

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

“Delegate to the Board of Directors the precise powers to issue bonds, bonds, convertible bonds with the power to exclude the right of preferential subscription if the Company's interest so requires or other fixed income securities, any market, as follows

1.Reach of delegation.- The delegation to issue these titles, will comprise, as widely as the right observes, the fixing of all the elements and circumstances of each issuing (face value, issue type, price, currency, representation, interest rate, depreciation, subordination clauses, issuing guarantees, place of the issuing, internal rules of the bondholders and appointment of steward, in case of being compulsory, admission to listing, etc), the carrying out of all the necessary steps, even according to the stock exchange rules which 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 debentures and/or exchangeable- For the case of issuing of bonds and/or convertible debentures, and to the effects 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 bonds and/or convertible debentures 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 Director, according to the closing value of the company shares, presented in the periods or reference periods which will be determine the Board of Directors itself. In case of convertible debentures, it will never be lower than the price of the company shares between (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, not longer than 3 months neither shorter than fifteen days after the Board Meeting, where exerting this authorization, it is agreed the issue of convertible debentures and (ii) the closing price of the company shares in the continuous market the day immediately before the celebration of the Board of Directors meeting, as stated in the previous section (i).
- b. In any case, according to articles 415, 1st and 2nd of the LSC, the bonds value, cannot be lower than their face value, and cannot be converted into shares if their face value is lower.
- c. If when applying the conversion and/or exchange equation, there would be fractions of shares to be delivered to the owners of the bonds or/and convertible debentures and/or exchangeable, they will be rounded up or down, depending the whole number. If there are excesses they will be compensated in cash, according to the treasury availabilities.
- d. Anyhow, in each issue agreed by the Board of Directors exerting the authorization given by the General Shareholders meeting, a report of administrators will be drawn up, including the details of the bases and methods of the conversion and/or exchanges applicable in such issue, which will be object of the corresponding report from the independent expert, according to the article 414.2.LSC. (Law of Capital Societies).

2.1. Period for the conversion and/or exchange of the values in case of issuing of convertible debentures. The values issued can be converted and/or exchanged by shares in the moments determined by the Board in each of the flotations agreed according to article 418 of the LSC. Nevertheless, the maximum period for the conversion and/or exchange will be TEN (10) years, from the moment when the flotation is carried out.

2.2. Rights of the owners of the convertible value. The owners of the convertible or exchangeable values will always have all rights observed by the law in force.

2.3. Increase of capital and exclusion of the right of preference subscriptions in convertible values. The delegation to issue bonds and/or convertible debentures upon newly issued shares will include:

- a) Increase the capital in the necessary quantity to comply with the applications of conversion on newly issued shares. This faculty will be in accordance with the total share capital increases agreed by the Board of Directors, considering those related to the faculties now delegated and those subject to the General Meeting authorization, which will not exceed the half of the forecasted share capital, according to article 297,1, b) of the LSC.
- b) To exclude the right of preference subscription of shareholders or bondholders when this is necessary and convenient for the company. In any case, if this faculty would be exerted, the Board of Directors would issue a compulsory report of administrators, together with the corresponding report from the accounts auditor, in accordance to article 511.3 of the LSC.
- c) To develop and specify the bases and methods for the conversion and/or exchange established in this agreement.

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

2.5. Guarantee of issues of values of dominated societies. The Board of Directors is also empowered to guarantee in the name of the society, within the above mentioned reasonable limits, the new issues of values which, during its valid period according to this agreement, will be carried out by its Group societies.

The maximum limit of this delegation is three billion (3,000,000) euros, once all the contracting methods have been included and the period is five years. The issues comprised in can be of one or more types. Also, it will be possible to make as many issues as the Board of Directors deems convenient, whenever the sum of all do not exceed the above mentioned figures. The present delegation of powers on

the Board of Directors replaces that granted by the Company's General Shareholders' Meeting held on 9 June 2016".

Tenth Item on the Agenda.- "Authorization to the Board of Directors of the Company for the acquisition of own shares for a period of two years, either by itself or by any of the companies in its group, establishing the limits and requirements, leaving without effect the authorization of the General Shareholders' Meeting held on 11 April 2019".

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

"Authorize and empower the Board of Directors of ACERINOX, S.A., or the person or persons to whom it delegates, to acquire shares of the Company itself, either by itself or through any of the Group Companies under the terms of Article 146 and 509 of the Corporations Law, for any onerous title and for **a period of two years** from today, at a minimum value that shall not be less than 5% regarding the trading session of the day in which the transaction is executed , and at a maximum value that shall not exceed 5% of that corresponding to the trading session of the day on which the transaction is executed, as well as, where appropriate, to dispose of them within the aforementioned limits.

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

This authorization release the one granted for this same purpose at the Company's General Shareholders' Meeting held on 11 April 2019".

Eleventh item on the Agenda.- "Authorization to the Board of Directors for the acquisition of shares of ACERINOX, S.A. to the payment of the third cycle (2020-2022) of a Multiannual Remuneration Plan, or Long Term Incentive (LTI) stablished for Executive Directors and the rest of the Senior Management of the Group, (Approval by the General Shareholders' Meeting 2018 of this Plan or Incentive)".

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

"Approval of the Board of Directors to acquire shares in ACERINOX, S.A. to be used for the payment of the third cycle of Multiannual Remuneration Plan (2020-2022), or Long Term Incentive (ILP) for Executive Directors and Senior Management of the Group.

Approval by General Shareholders' Meeting held in the year 2018 of an incentive in a Multiannual Remuneration Plan, each terms or cycles began in

the years 2018, 2019 and 2020, and with three years duration, respectively, since the beginning of each one.

In addition to this the Board authorized the Board of Directors to acquire ACERINOX, S.A. necessary shares to proceed to the payment of the Plan corresponding to the first of these cycles.

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

For better understanding of the proposal and transparency the characteristics of the Plan already approved and in point 5 specific authorization requested, and the number of shares which is projected, are summarized in points 1 to 4.

1.- Duration: 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.- Purpose: 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 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 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.

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 made of the following companies: Aperam, Arcelormittal, Outokumpu, Salzgitter, SSAB, AK Steel y Voestalpine. The companies of this Reference

Group, including ACERINOX, will be ordered from the largest to the smallest according to 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:
 $\text{Share Incentive} = \text{Final Incentive} \times (1 - \text{Withholding Tax Rate}).$

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 (2020/2022). 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 second Cycle of the Plan is 213,000. 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 on 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 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".

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.

Twelfth item on the Agenda: “Put to a vote on an advisory basis the “Annual Report on Remuneration of the Directors of ACERINOX, S.A.,” for the year ended on 31 December 2019”.

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

“Approval the Annual Report on Remuneration of Directors of ACERINOX, S.A., for the year ended 31 December 2019, referred to in Article 541 of the Corporate Law, the text of which has been made available to the shareholders, along with the rest of documentation relating to the General Shareholders’ Meeting”.

Issues for information:

Thirteenth item on the Agenda:

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

Fourteenth item on the Agenda: “Report to the General Shareholders’ Meeting in accordance with the article 528 of the Corporation Law regarding the Regulations of the Board of Directors”.

Order Issues:

Fifteenth 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 the Fifteenth Item on the Agenda of the General Meeting, the Board of Directors proposes the following resolution:

“Delegate in the Board of Directors of ACERINOX, S.A., of the proper interpretation, correction, application, complement, development and implementation of arrangements approved by the General Shareholders’ Meeting, as well as to replace the powers received from the Board and delegation of powers to the formalization and registration of the same, empowering indistinctly Mr. Rafael Miranda Robredo, Mr. Bernardo Velázquez Herreros, and Mr. Luis Gimeno Valledor to any one of them to appear before a notary and raise public deed, the previous 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 Trade Register and any other public authority with competences related to the agreements adopted”.

Sixteenth item on the Agenda: “Designation of auditors to approve the Minutes of the General Shareholders’ Meeting”.

In relation to the Sixteenth Item on 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, 26 February 2020