



**PROPOSED RESOLUTION OF THE
GENERAL SHAREHOLDERS'
MEETING IN COMPLIANCE WITH
THE SECOND CYCLE OF THE
MULTIANNUAL REMUNERATION
PLAN (2019-2021)**

Madrid, 26 February 2019

PROPOSED RESOLUTION OF THE GENERAL SHAREHOLDERS' MEETING IN COMPLIANCE WITH THE SECOND CYCLE OF THE MULTIANNUAL REMUNERATION PLAN (2019-2021)

Proposal of the Board of Directors to the General Shareholders' Meeting:

"Approval of the Board of Directors to acquire shares in ACERINOX, S.A. to be used for the payment of the second cycle of Multiannual Remuneration Plan (2019-2021), 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 second cycle starts in 2019 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 paragraphs 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: $\text{Final Incentive} = \text{Target Incentive} \times \text{Weighted Achievement Coefficient}$.

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 (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.

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 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:

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 (2019/2021). 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 2019, 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 Second 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.

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.