



REPORT ON RELATED TRANSACTIONS IN 2018

Madrid, 26 February 2019

REPORT BY THE AUDIT COMMITTEE OF ACERINOX ON RELATED TRANSACTIONS CORRESPONDING TO THE 2018 FINANCIAL YEAR, IN COMPLIANCE WITH RECOMMENDATION 6 LETTER C) OF THE CODE OF GOOD GOVERNANCE

I. Introduction

The new Code of Good Governance for Listed Companies, approved by the Spanish National Stock Market Commission (CNMV in its Spanish initials) on 18 February 2015, recommends (see Recommendation 6) that publicly listed companies prepare and publish certain reports on their websites, including a report by the Audit Committee on related transactions. To this end, the Audit Committee of the Group, complying with the foregoing recommendation, has prepared this report.

Therefore, in the Annual Corporate Governance Report, no transaction is recorded in section D, with those contained below being listed in section H (other useful information):

II. Transactions performed in 2018 with companies related to shareholders of ACERINOX, S.A.

Over this year, the following related transactions have been authorised

A) Related transactions:

- Acquisition of 345,480 shares, representing 30% of the capital of the subsidiary Bahru Stainless Sdn, Bh, for an amount of 11,908 thousand dollars, (10,508 thousand euros) in execution of the put option that Nisshin Steel were reserved in the Joint Venture Agreement signed with ACERINOX, S.A. on 15 January 2009. This operation has been subject to approval by the Board of Directors at its meeting held on 28 November.

B) Operations that involve a transfer of resources and obligations between the Company or entities of its Group and subsidiaries, to the significant shareholders of the Company on 31 December 2018:

- Banca March, S.A. (a company belonging to the Grupo March, the same as Corporación Financiera Alba, S.A.) has granted credit agreements to ACERINOX, S.A. amounting to €30,000,000, of which €30,000,000 have been drawn down, in a relationship of financial nature. With Acerinox Europa, S.A.U. (a company controlled by ACERINOX, S.A.), agreements for the management of payments amounting to €2,800,000 of which €20,000 have been drawn down, in a relationship of financial nature; and finally with Grupo ACERINOX, non-recourse factoring agreements amounting to €70,000,000, of which €26,710,000 have been drawn down, in a relationship of financial nature.

- March J.L.T. correduría de seguros S.A. (a company belonging to the Grupo March, as does Corporación Financiera Alba, S.A.), has brokered insurance premiums and other transactions with the ACERINOX Group amounting to €13,841,000.
- ACERINOX, S.A. has received a dividend in this exercise of 118 thousand euros for shares possessing entity Nisshin Steel Co. Ltd.
- Wheeling Nisshin, a subsidiary of the shareholder Nisshin Steel Co. Ltd, provided services to North American Stainless, Inc. in 2018 amounting to \$546,000.
- Group Bahru Stainless company has made sales to the Nisshin Steel Group companies amounting to 2,986 thousands of dollars and purchases amounting to 26 thousand dollars. These two are sales of goods at market value and under standard conditions.

All these commercial transactions were made in the ordinary course of business under market conditions.

The Company has reported these transactions in its Annual Report and in the Annual Corporate Governance Report.

III. Transactions performed with the company auditors, PwC Auditores S.L., which have required authorisation in accordance with the provisions of Article 529-quaterdecies, 4, letter f)

- Verification of compliance with the covenants to which a loan policy of which the subsidiary Columbus Pty is a beneficiary is subject, on two occasions and amounting to €6,400.
- Award of the works relating to the Internal Control and Risk Management System (SCIFF in its Spanish initials), amounting to €10,000.
- Audit of permanent establishments of various companies that the Group owns in Thailand and the verification of their suitability, amounting to €22,313.

IV. Exchange of shares that ACERINOX, S.A. held in the company Nisshin Steel Co. Ltd., which holds 15.49% of ACERINOX, S.A., with a value equivalent to the shares of the acquiring company, Nippon Steel & Sumitomo Metal Corporation.

This exchange was approved at the General Shareholders' Meeting of Nisshin Steel Co. Ltd. held on 10 December 2018. ACERINOX, S.A. has received 747,346 shares of the acquiring company.