



REPORT ON THE ACTIVITIES OF THE EXECUTIVE COMMITTEE IN 2019

Madrid, 26 February 2020



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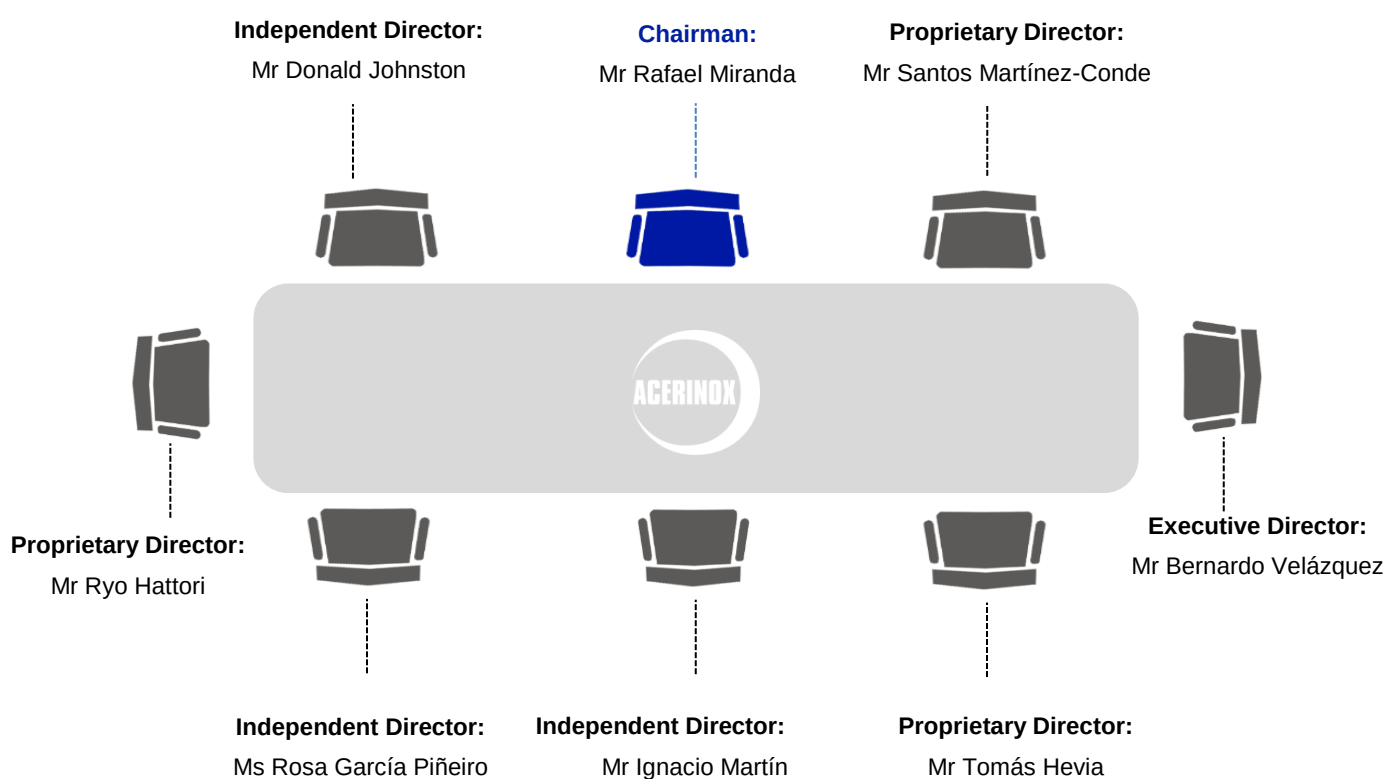
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This report on the activities of the Executive Committee in the 2019 financial year has been prepared following the recommendations contained in the Code of Good Governance of Listed Companies approved by the National Securities Market Commission on 18 February 2015, which follows the Consolidated Document of Corporate Governance Recommendations of 22 May 2006.

1. COMPOSITION AND QUALIFICATIONS OF ITS MEMBERS



The Executive Committee as at 31 December 2019 comprised the following members:

RAFAEL MIRANDA ROBREDO



Chairman
Independent External Director

Mr Rafael Miranda Robredo, an independent director and Spanish national, a member of the Board of Directors and Chairman of Acerinox, S.A. since April 2014 (re-elected in 2018). Mr Miranda holds a degree in Industrial Engineering from the ICAI.

Mr Miranda is the Honorary Chairman of the Association for the Advancement of Management, Honorary Chairman of Eurelectric, a Director of Brookfield Asset Management, Parkia, S.A. and Nicolás Correa, S.A.

During his professional career Mr Rafael Miranda has held multiple positions, such as CEO of Endesa S.A. and Vice-Chairman of the Industrial Division of Campofrío S.A. His career has made him an exemplary model in the business community, both for his role in the modernisation of the electrical system and for his management of large companies.

SANTOS MARTÍNEZ-CONDE GUTIÉRREZ-BARQUÍN



External Proprietary Director on behalf of Corporación Financiera Alba

Mr Santos Martínez-Conde Gutiérrez-Barquín, an external proprietary director and Spanish national. He has been a member of the Board of Directors since 2002 (re-elected in 2006, 2010, 2014 and 2018). Mr Martínez-Conde is a director on behalf of Corporación Financiera Alba, S.A. He holds a degree in Civil Engineering, a Master's degree in Business Management from ICADE and a Diploma in Nuclear Technology from ICAI.

Mr Martínez-Conde is currently the CEO of Corporación Financiera Alba, S.A. and a director of Banca March, S.A., Indra Sistemas, S.A., Bolsas y Mercados Españoles, S. A. and CIE Automotive, S.A.

The rest of his career was spent at Sener Técnica Naval e Industrial, S.A., Técnicas Reunidas, S.A., Bestinver, S.A., Corporación Borealis, S.A. and Banco Urquijo, S.A.

ROSA M^a GARCÍ APIÑEIRO



Independent External Director

Ms Rosa María García Piñeiro, a Spanish national, has been an independent director since 2017 and a member of the Executive Committee since March 2018. Ms García Piñeiro is an industrial engineer with a Master's degree in Industrial Organisation and Management from the University of Vigo and the National University of Ireland, as well as a Master's degree in Environmental Engineering from the Environmental Organisation school in Madrid and an Executive MBA from the Haute École de Commerce, among other qualifications.

Ms García Piñeiro is Vice-Chairman of Global Sustainability at Alcoa and Chairman of the Alcoa Foundation. She has also served as Chairman of Alcoa-España. She is a member of the Board of Directors of ENCE Energía y Celulosa S.A.

RYO HATTORI



External Proprietary Director on behalf of NIPPON STEEL Stainless Steel Corporation

Mr Ryo Hattori, a Japanese national, has been a member of Acerinox's Board of Directors since May 2009, serving as a Proprietary Director on behalf of NIPPON STEEL Stainless Steel Corporation. He is also a member of the Executive Committee.

Mr Hattori has a degree in Law from the University of Meiji in Japan. He is General Manager Corporate Planning Division of NIPPON STEEL Stainless Steel Corporation.

TOMAS HEVIA ARMENGOL

External Proprietary Director on behalf of Corporación Financiera Alba



Mr Tomás Hevia Armengol, a Spanish national, was appointed as a proprietary director on behalf of Corporación Financiera Alba S.A. in December 2016. Mr Hevia holds a Degree in Business Administration and Management and Law from the Universidad Pontificia de Comillas of Madrid (ICADE E-3) and also holds an MBA from the IESE Business School of the University of Navarra.

Mr Tomás Hevia is currently a member of the Investment Department of Corporación Financiera Alba S.A. He previously worked in the Mergers and Acquisitions and Equity Capital Markets Departments of Royal Bank of Scotland PLC and ABN AMRO NL in Madrid and London. He is a member of the Board of Directors of Clínica Baviera S.A., a position that he already held at ACS Servicios y Concesiones S.A., Dragados S.A. and Antevenio S.A.,

Reunidas, S.A., Bestinver, S.A., Corporación Borealis, S.A. and Banco Urquijo, S.A.

DONALD JOHNSTON

Independent External Director



Mr Donald Johnston, a United States and British national, has been an independent director since 2014 and a member of the Executive Committee since the same year. He holds a Bachelor of Arts in Political Science degree from Middlebury College and Master of Arts in International Economics and Latin-American Studies from Johns Hopkins University.

During his career, he has held positions such as European Chairman of the M&A Group of Deutsche Bank, S.A., Board Member of Bankers Trust International PLC and member of its Global Executive Committee. He has also worked as a Managing Director at the New York and London offices of Salomon Brothers PLC. Mr Johnston has over 35 years' experience in investment banking in the United States, Europe and Latin America.

Mr Johnston is currently an Independent Director of Merlin Properties Socimi S.A. and an independent Director of Banco Sabadell.

IGNACIO MARTIN SAN VICENTE

Independent External Director



Mr Ignacio Martín San Vicente, a Spanish national, has been an independent director since October 2018 and a member of the Executive Committee since the same year. He holds an Industrial Engineering degree from the Higher Technical School of Industrial Engineering in San Sebastián.

Mr Martín's career has been spent in the industrial sector, in which he has worked in positions of responsibility such as Executive President of Gamesa S.A. and Chief Executive Officer of CIE Automotive S.A. He previously held management positions at companies such as GSB Grupo, GKN Driveline and Alcatel S.A. He is currently a Director of Repsol, Bankoia and Indra.

BERNARDO VELÁZQUEZ HERREROS

Chief Executive Officer



Mr Bernardo Velázquez Herreros, a Spanish national, has been Acerinox's Chief Executive Officer since 2010. Mr Velázquez holds a degree in Industrial Engineering from the ICAI. Since joining Acerinox's Marketing Department in 1990 he has taken on positions of added responsibility within the company, accumulating more than 29 years in the international stainless steel business. On his return to Spain, after his experience in Mexico and Australia, he held the positions of Assistant Managing Director, Systems Manager and Strategy Manager in 2005. In 2007, he was appointed Managing Director, a position he held until his appointment as Chief Executive Officer in July 2010.

He is currently Chairman of Acerinox Europa and North American Stainless as well as Chairman of UNESID (National Union of Steel Making Companies) and Inoxcenter, SL. He combines these positions with that of Vice-Chairman of the International Stainless Steel Forum and Director of World Steel (International Steel Manufacturers' Association).

2. MEETINGS HELD IN THE YEAR

During 2019, the following meetings were held and in all of them a report on the company's activities, its performance and the financial situation was analysed, as well as the balance sheet and income statement for the relevant period.

<i>Date</i>	<i>Location</i>	<i>Attendance</i>
01 February 2019	Madrid	All (8)
26 February 2019	Madrid	All (8)
28 March 2019	Madrid	7
16 May 2019	Madrid	All (8)
22 July 2019	Madrid	All (8)
19 September 2019	Madrid	All (8)
26 September 2019	Madrid	All (8)

As well as its regular members, the following persons have attended several meetings of the Executive Committee at the insistence of the Chairman:

From the Company management: the CFO, the Director of Sales, the Strategy Manager and Raw Materials, representatives from the Madrid and London Investment Banking firm that advised the company on the acquisition of VDM Metals, a partner of the law firm (from the Madrid and Dusseldorf offices) who advised the company on the said transaction, and staff from the auditing consultancy that collaborated in the auditing work and due diligence on the same occasion.

3. TASKS PERFORMED

It met on 7 occasions in 2019. The Committee was given the brief by the Board to study matters to do with strategy in-depth for their subsequent deliberation at a higher level. For this reason, most of the meetings held were essentially about the study, analysis and escalation of proposals related with non-core movements.

The first task was the evaluation of the Committee itself, which in general terms improved in all aspects (general issues, dynamic of operation, responsibilities and personal and general assessment) with respect to the previous financial year. Two recommendations in relation to the Committee arose from this year: to increase the level of dedication and analysis of strategic matters - which we will see later has been more than accomplished - and to operate the meetings schedule more flexibly, which has also been carried out to the letter in a year in which the number of meetings has increased and at times this has required calls to meetings with very short notice in view of some of the issues covered.

In addition to the above, every meeting always started with the analysis of the company's situation, of the raw materials and markets in which it operates, as well as a description of the trends made by the CEO.

The Board instructed the Committee to conduct an analysis of any non-core operation and in particular in this financial year the possible acquisition of the VDM group, which was completed in November. In quantitative terms, this was the point that was most often included in the agendas.

As a consequence of the aforementioned acquisition, which at the time of writing is awaiting authorisation by the European competition authorities, the Committee has ordered the Management to prepare a plan to integrate the VDM Group and its more than a dozen companies and workforce into Acerinox's structures, and it has verified that this was under way within the restrictions that the still-pending authorisations impose.

The greater capacity of response of the Executive Committee to the Board, due to its size, has meant that other matters that would call for great agility were frequently reported to the Committee as their process went on. These are in particular the cases of the redundancy plan (ERE, in its Spanish initials) at the factory in Campo de Gibraltar and the evolution of the impairment tests, which meant proposing to the Board a write-down in the book value of the stake in Bahru Stainless, which was reported to the markets at the start of the year.

4. REGULATION

The Executive Committee is regulated by the provisions of the Spanish Capital Companies Act and by the provisions of the Regulations of the Board of Directors of Acerinox, S.A. which were approved in its meeting of June 2016 and amended in a Board of Directors meeting held on 20 December 2018.

“Article 1. Composition and functioning:

1. Notwithstanding the delegation of powers to the Chief Executive Officer, the Board of Directors may designate an Executive Committee within the Board in order to attend to the normal course of business and facilitate its regular monitoring.

2. The Board of Directors shall determine the number of members on the Executive Committee. If no decision is taken with respect to this number, the Committee shall have between five and eight members, selected by the Board of Directors itself. The Board shall ensure the adequate and proportional representation of Proprietary, Executive and Independent Board Members in the composition of the Executive Committee. In any event, its composition must comply with the provisions established in the following number.

3. The Chairman of the Board shall also be the Chairman of the Executive Committee, and the Secretary of the Board shall also act as Committee Secretary. If the Company Chairman is not to be the CEO, he/she must be a member of this Committee.

4. The Executive Committee shall meet whenever the Chairman requires it to, the number of times he/she determines, or at the request of the majority of its members.

Article 2. Powers.

1. All duties that can be delegated by the Board may be delegated to the Executive Committee. The existence of these delegations to the Executive Committee shall not entail a reduction of the respective powers of the CEO, who will be responsible for the everyday management of the Company's business activities.

2. The Chairman may, in view of the circumstances, decide that any matter deliberated by the Executive Committee and the decisions adopted thereof be the subject of new deliberations or ratification by the Board of Directors.



24 January 2020

Rafael Miranda Robredo
Chairman
Executive Committee