

REGULATIONS
OF THE BOARD OF DIRECTORS OF
ACERINOX S.A.

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REGULATIONS OF THE BOARD OF DIRECTORS

ACERINOX S.A.

PRELIMINARY TITLE

Article 1. Purpose.

The purpose of these Regulations is to regulate the organization and functioning of the Board of Directors of ACERINOX, S.A. and the organs and committees of said Board, as well as the Board's by-laws.

Article 2. Scope of application.

These regulations apply to Members of the Board of Directors and, insofar as they are compatible with the specific nature and functions of each case, to Senior Management of the Company and subsidiary governance bodies.

Article 3. Mission of the Board of Directors.

The mission of the Board of Directors is to promote the interests of the Company, understood to be the consequence of a long-term, profitable, and sustainable business that fosters continuity and the maximisation of the economic value of the company. In the execution of its mission, the Board of Directors shall ensure that the Company respects the law and regulations and behaves in accordance to good faith, ethics, and respect for customs and commonly accepted good practices, and shall endeavour to reconcile the interests of the Company with the legitimate interests of its employees, suppliers, and customers as well as all other stakeholders that may feel affected.

TITLE I

THE BOARD OF DIRECTORS AND ITS COMMITTEES

Chapter I. Composition, functions and competencies

Article 4. Composition.

1. The number of members of the Board of Directors shall be determined by the Annual General Assembly. This number shall be in accordance to what is established in the Articles of Association, no less than five and no greater than fifteen.

2. The persons designated as Board Members will have to meet the conditions established in the Regulations, as well as the conditions required by Law and the Articles, formally agreeing to comply with all obligations and duties established in them from the moment of their assumption of the position.
3. The Board of Directors shall ensure that the processes to select its members favours gender diversity, as well as a diversity of experiences and knowledge; they are not to suffer from any implicit biases that may implicate any discrimination whatsoever, and are to facilitate the selection of female Board Members.
4. When exercising its rights of proposal to the General Shareholders Assembly and co-optation in order to cover vacancies, the Board of Directors must ensure that External Board Members constitute an ample majority in the composition of the body and that the number of Executive Board Members is sufficient to provide the Company with the necessary knowledge and information about corporate management.
5. The Board shall equally ensure that, within the majority group of External Board Members, the number of Proprietary Board Members and Independent Board Members is in proportion to the share capital represented by the former and the capital represented by the remaining shareholders, respectively.
6. It is possible for External Board Members to be neither Independent nor Proprietary. Should this be the case, the Company will explain said circumstance and its ties with this member or with its directors or significant shareholders.
7. The Board shall explain the character of each Board Member to the General Shareholders Assembly, which must effect or ratify this appointment, according to the legally provided definition for Executive, External, Proprietary, Independent, or Other External Board Members.
8. When drafting and approving the Annual Report of Corporate Governance, the contribution attributed to the Board Members must be confirmed or, if necessary, revised. If applicable, the Report must explain the reasons for the appointment of Proprietary Board Members at the request of shareholders who have a holding of less than 3% of the share capital. In addition, the Report must explain, if necessary, the reasons why any formal proposals by a shareholder before the Board were not approved even though the shareholder holds the same or a higher number of shares than other shareholders whose requests for the appointment of Proprietary Board Members were approved.

Article 5. Representative functions.

The Board of Directors is entitled to represent the Company under the established legal and statutory terms.

Article 6. Duties that cannot be delegated.

1. The Board of Directors may not delegate the following duties:

- a) The supervision of the effective functioning of the committees it has created and the actions of the delegated bodies and of the directors it has designated.
- b) The determination of the general policies and strategies of the Company.
- c) The authorization or waiver of the obligations derived from the duty of loyalty in accordance to what is established in the applicable legislation.
- d) Its own organization and functioning.
- e) The formulation of the annual accounts and their presentation to the General Shareholders Assembly.
- f) The formulation of any class of report required by law from the administrative body, provided the operation to which the report refers cannot be delegated.
- g) The appointment and dismissal of Company Board Members, as well as the establishment of the conditions of their contract.
- h) The appointment and dismissal of directors that are directly supervised by the Board or any of its members, as well as the establishment of the basic conditions of their contracts, including remuneration.
- i) The decisions related to the remuneration of Board Members within the statutory framework and, as the case may be, of the remunerations policy approved by the General Assembly.
- j) The convening of the General Shareholders Assembly, the elaboration of the agenda, and the proposal of agreements.
- k) The policy related to its own shares or stakes.
- l) The duties that the General Assembly may have delegated to the Board of Directors unless it had expressly authorized the Board to sub-delegate them.
- m) The approval of the strategic or business plan, management goals and annual budgets, investments and financing policy, corporate social responsibility policy and dividends policy.
- n) The determination of the risk control, management and even fiscal policy, and the oversight of the internal information and control systems.
- o) The determination of the corporate governance policy of the Company and the Acerinox group of which it is the dominating body; its organization and functioning and, specifically, the approval and modification of the present Regulations.
- p) The approval of the financial information that must be periodically released, as the Company is publicly listed.
- q) The definition of the structure of the Acerinox group, of which the Company is the dominating body.

- r) The approval of investments or operations of all kinds which, by virtue of their high cost or special characteristics, are considered to be of a strategic nature or special fiscal risk, unless their approval corresponds to the General Shareholders Assembly.
 - s) The approval of the creation or acquisition of shares in special purpose vehicles or entities resident in countries or territories considered tax havens, as well as any other transactions or operations of a comparable nature whose complexity might impair the transparency of the Company and its group.
 - t) The approval, prior the report from the Audit Committee and within the terms legally provisioned, of operations that the Company or companies of the group carry out with Board Members or with shareholders having significant holdings, and either individually or in concert with others, including shareholders represented on the Company's Board of Directors, or that of other companies belonging to the Acerinox group, or with people related to them. The affected Board Members, or those representing or related to the affected shareholders, must abstain from participating in the deliberations and vote on the agreement in question. The only exceptions to this approval are operations present all three of the following conditions simultaneously:
 - they are conducted under contracts whose terms are standardized and apply en masse to a large number of customers;
 - they are conducted at arm's length prices or rates generally established by whomever is supplying the goods or services in question; and,
 - the amount does not exceed 1% of the annual revenue of the Company.
 - u) The determination of the Company's fiscal strategy.
2. When urgent, duly justifiable circumstances concur, and unless it is legally not possible to do so, decisions may be adopted that correspond to the aforementioned matters by the delegated bodies or persons, which must be ratified in the first Board Meeting celebrated after the adoption of the decision.

Chapter II. Structure of the Board

Article 7. The Chairman.

1. Prior a report from the Appointments, Remunerations, and Corporate Governance Committee, the Board of Directors shall appoint a Chairman from one of its members and, as the case may be, one or more Vice-Chairmen. Should the Chairman be re-elected as Board Member, his re-election as Chairman shall not be necessary.
2. The Chairman is the maximum authority responsible for the efficient functioning of the Board of Directors. As well as the remaining duties or functions granted by Law, the Articles of Association, or the present Regulations, the Chairman shall have the following duties or functions:

- a) Bear the institutional representation of the Company.
 - b) Convene and preside meetings of the Board of Directors, establishing the agenda for said meetings and leading the discussions and deliberations, ensuring that enough time is dedicated to the discussion of strategic matters.
 - c) Preside over the General Shareholders Assembly.
 - d) Ensure that all Board Members receive sufficient prior information so as to be able to deliberate the points of the agenda.
 - e) Stimulate the debate and an active participation of Board Members during the sessions, safeguarding their liberty to adopt any position.
 - f) Propose the appointment of the CEO and the Board of Directors Secretary.
 - g) Prepare and submit to the Board of Directors an agenda of dates and matters that need to be dealt with.
 - h) Organize and coordinate the periodic evaluation of the Board as well as, as the case may be, of the primary executive of the Company.
 - i) Agree on and review the refresher programmes for each Board Member, when the circumstances so advise.
3. In the event of a split vote, the Chairman does not have a deciding vote.
4. In the event of absence or incapability, the eldest Vice-Chairman shall take the place of the Chairman if he/she were to be Independent. Otherwise, the Independent Vice-Chairman with the most seniority shall take the Chairman's place. In the event that there are several of equal tenure, the eldest Vice-Chairman shall be followed by the next most senior should the latter decline.

Article 8. Vice-Chairmen of the Board.

The Board may assign one or more of its Members as Vice-Chairmen who, in accordance with what is established in article 7, shall substitute the Chairman in his/her duties in case of absence or incapacity.

Article 9. The Chief Executive Officer.

In accordance with a proposal from the Chairman, the Board may designate a CEO from among its members and delegate all of the delegable powers in accordance with what is established by Law, the Articles of Association, and these Regulations. The CEO shall be responsible for the effective leadership of the Company's business, according to the decisions and principles that the General Shareholders Assembly and the Board of Directors establish in their respective areas. The CEO will have command over all of the Company's services and Senior Management. The CEO will also be in charge of executing the general strategy of the Acerinox group, and ensuring it is carried out.

Article 10. The Secretary of the Board and the Vice-Secretary.

1. In accordance with a proposal from the Chairman, and prior report from the Appointments, Remunerations, and Corporate Governance Committee, the Board of Directors shall designate a Secretary and, if warranted, a Vice-Secretary. The same procedure shall be followed to agree on the removal of the Secretary and, if warranted, the Vice-Secretary. The Secretary and Vice-Secretary may or may not be Members of the Board. If the Secretary should be absent or the position vacant, the Vice-Secretary, if designated, shall replace him or, if not designated, the youngest Board Member shall replace him/her, and if he/she should decline, the next youngest Member will be designated.
2. As well as the duties and granted by Law, the Articles of Association, or the present Regulations, the Secretary shall have the following duties and functions:
 - a) Preserve the documentation of the Board of Directors, record the development of the sessions in the book of minutes, and give faith regarding their contents and the resolutions adopted.
 - b) Ensure that the actions of the Board of Directors conform to applicable law, the Articles of Association, and other internal norms.
 - c) Assist the Chairman so that Members of the Board receive the relevant information for them to carry out their duties with the necessary time before meetings and in the adequate format.
 - d) Ensure that the actions and decisions of the Board of Directors reflect its consideration of the recommendations of government contained in the Code of Good Governance of Listed Companies that is applicable to the Company.

Article 11. Board Committees.

I.- Executive Committee

A) Composition and functioning:

- a) 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.
- b) 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 is to have between five and eight members, selected by the Board of Directors itself. The Board should 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.
- c) The Chairman of the Board shall also be the Chairman of the Executive Committee, acting as Committee Secretary. If the Company

Chairman is not to be the CEO, he/she must be a member of this Committee.

- d) 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.

B) Competencies:

- a) 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 imply a reduction of the respective competencies of the CEO, who will be responsible for the everyday management of the Company's business activities.
- b) 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.

II.- Audit Committee

A) Composition and functioning:

- a) The Company shall have an Audit Committee made up of no fewer than three and no more than six Board Members appointed by the Board of Directors. The Members of this Committee must have a proven track record of the capacity, experience, and commitment required to perform such duties.
- b) The Audit Committee shall be exclusively composed of non-executive Board Members, at least two of which must be independent. It will be ensured that the majority of its members are also non-executive Board Members.
- c) At least one of the appointed members of the Audit Committee shall be an Independent Board member, taking into consideration his/her knowledge and experience in matters of accounting, auditing, or both.
- d) The Chairman of the Audit Committee shall be appointed from among the Independent Board Members that are part of it.
- e) The Chairman shall be substituted every four years and may be re-elected one year after stepping down.

B) Competencies in matters of financial information:

- a) To report to the Board of Directors and, as the case may be, to the General Shareholders Assembly regarding matters having to do with topics that are the competency of the Committee.
- b) To supervise the efficiency of the internal controls of the Company, internal auditing, financial risk management systems and fiscal systems, as well as to discuss with the account auditors the significant weaknesses of the internal monitoring system detected during the course of the audit.
- c) To evaluate everything related to the company's non-financial risks, including operational, technological, legal, social, environmental, political, and reputational risks.
- d) To supervise the preparation and presentation of the preceptive financial information and to ensure that it is reliable, as well as to review the company's compliance with all regulatory requirements, the suitably defined consolidation perimeter, and the correct application of accounting criteria.
- e) To ensure the independence of the functioning of the internal audit unit; to propose the selection, appointment, re-election, and removal of the head of the internal audit service; to propose the budget for that service; to approve the orientation and its work plans, ensuring that its activity is mainly focused on relevant risks to the Company; to receive periodic information on its activities; and to verify that Senior Management acts on the conclusions and recommendations of its reports.
- f) To establish and supervise a mechanism whereby employees can confidentially and anonymously report, if necessary, any irregularities they detect in the course of their duties, especially financial and accounting irregularities that may have serious implications for the Company.
- g) To submit to the Board of Directors proposals for selecting, appointing, re-electing, and substituting the external auditor, as well as the hiring conditions, and regularly gather information from it regarding the audit plan and its execution, as well as preserving its independence in the exercise of its duties.
- h) To establish appropriate relations with the external auditor in order to gather information regarding matters that may jeopardise its independence so it can be examined by the Committee or any others related to the performance of accounts auditing, as well as any other notifications established in the provisions set out in the accounts auditing legislation and the auditing norms. In any case, the external auditors must annually issue to the Committee a declaration of their

independence as to the entity or entities related directly or indirectly to them, and, in accordance to what is established in the legislation regarding accounts auditing, the information of the additional services of any kind provided and the corresponding fees perceived from these entities by the external auditor, or by the persons or entities related to it. The Committee will furthermore ensure that the remuneration of the external auditor for its work does not compromise its quality or independence.

- i) To annually issue, prior to the account audit report, a report stating an opinion on the independent nature of the account auditors. This report should in any case contain the assessment of the provision of the additional services referred to in the previous letter, considered individually and as a group, different from those for the legal audit and in relation to the regimen of independence or with the audit regulatory norm.
- j) Examine the circumstances that lead to the eventual resignation of the external auditor.
- k) To supervise that the Company communicate the change of auditor to the Spanish Securities Commission (CNMV) as a "relevant event", accompanied by a statement on any possible disagreements with the outgoing auditor and their nature, should these exist.
- l) To ensure that the external auditor carries out an annual meeting with the entire Board of Directors to inform it about the work done and about the evolution of the accounting situation and the risks to the Company.
- m) To previously inform the Board of Directors regarding all matters considered under Law, the Articles of Association, and the present Regulations, and specifically regarding:
 - the financial information which the Company must periodically disclose,
 - the creation or acquisition of shares in special purpose vehicles or entities resident in countries or territories considered tax havens, and
 - operations with related parties.
- n) Any other duty that is expressly assigned to it by the Board of Directors.

III.- Appointments, Remunerations, and Corporate Governance Committee.

A) Composition and functioning:

- a) The Appointments, Remunerations, and Corporate Governance Committee is to be formed by the individuals appointed by the Company's Board of Directors in each case. The number of members must be no less than three and no more than six.
- b) The Appointments, Remunerations, and Corporate Governance Committee shall be exclusively made up by non-executive Board Members appointed by the Board of Directors, at least two of which should be Independent Board Members. It will be ensured that most of its members are Independent Board Members.
- c) The Chairman of the Committee shall be appointed by the Board from among the Independent Board Members that are part of it. In the case of absence, vacancy, or illness the Chairman shall be replaced by another of the Independent Board Members members of the Committee.

B) Competencies in matters of appointments and remunerations:

- a) To evaluate the competencies, knowledge, and experience required to sit on the Board of Directors, as well as to establish representation objectives for the least represented gender. To these effects, it shall define the duties and aptitudes necessary in the candidates to fill each vacancy, and evaluate the time and dedication necessary for them to efficiently perform their duties.
- b) To submit to the Board of Directors the proposals regarding the appointment of independent Members for their designation by co-optation or for their submission to the decision of the General Shareholders Assembly, as well as the proposal for their re-election or removal from the position.
- c) To inform the Board of Directors of the proposals regarding the appointment of the remaining Members for their designation by co-optation or for their submission to the decision of the General Shareholders Assembly, as well as the proposal for their re-election or removal from the position.
- d) To inform the appointment and removal proposals of Senior Management, Secretary and Vice-Secretary of the Board, and the

basic conditions of their contracts, as well as the appointment and remuneration of the CEO.

- e) To examine and organize the succession of the Chairman of the Board of Directors and the first executive of the Company, and to promote the adequate succession plan in company Senior Management and, if necessary, to formulate proposals to the Board of Directors so that said succession occurs in an orderly and planned manner.
- f) To propose to the Board of Directors the remunerations policy for Board Members and, per proposal of the CEO, of those that carry out their senior management duties under direct supervision of the Board, its Committees, or the CEO, as well as the individual remuneration and other contractual conditions of the Board Members and senior management, ensuring their compliance.
- g) To submit to the Board of Directors the draft of the Annual Remunerations Report, and in general to ensure compliance with the remunerations policy established by the Company.
- h) To periodically review the remunerations policy applied to Board Members and Senior Management, including remunerations systems with stock options and their application, and to guarantee that their individual remunerations are in line with what Board Members and senior management are paid in comparable or equivalent companies.
- i) To ensure that any conflicts of interest that arise do not damage the independence of the external counselling provided to the Committee.
- j) To verify the information regarding the remunerations of Board Members and senior management contained in the different corporate documents, including the annual report regarding Board Member remunerations.

C) Competencies in matters of corporate governance and corporate social responsibility:

- a) To periodically evaluate the adequacy of the corporate governance system of the Company with the purpose of it complying with its mission of promoting social interest and that it considers, as the case should be, the legitimate interests of the remaining stakeholders.
- b) To review the corporate responsibility policy of the Company and to ensure that it is aimed at the creation of value.
- c) To monitor the corporate social responsibility strategy and practices, and evaluate the degree of its compliance.

- d) To coordinate the process of reporting non-financial information and information regarding diversity, in accordance to the applicable norm and the international reference standards.

IV.- Other possible Committees.

The Board of Directors may create other specialized Committees, determining their composition, appointing their members and establishing the duties that each of them will take on.

Article 12. Common norms regarding the convening of meetings and functioning of the Board of Directors and its Committees

Board of Directors.

A) Convening of Meetings:

1. The convening of meetings will include the agenda set by the Chairman. The Board of Directors must meet at least once per quarter and will be convened by its Chairman or acting Chair. Board Members representing at least one third of the Board may convene a meeting indicating the agenda in the call notice, to be held at a location within the vicinity of its corporate offices, should the Chairman, having been requested to convene a meeting, have not done so within the term of one month after being so requested.
2. Meetings will normally be held at the Company's offices, although they may also be held at another location determined by the Chairman.
3. Notwithstanding the aforementioned, and except where the Law so forbids, resolutions may be adopted for emergency purposes or special convenience without a meeting and in writing, adhering to the requisites and formalities established by the applicable regulations.
4. However, the Board may meet without the need to observe the aforementioned notice requirements if all Members attend the meeting, or those not attending give their consent in writing.
5. Unless the Board had been formed or exceptionally convened for emergency purposes, Members must have the necessary information sufficiently in advance in order to discuss and adopt the resolutions on the matters at hand.
6. The Board will be deemed validly convened when at least half plus one of the present or represented members in office attend the meeting. Board Members may appoint other Board Members to represent them. Non-

executive Board Members may only do this for another non-executive Member.

7. Attendance of Members at Board Meetings will be equally valid by means of long-distance communications methods, provided said methods allow all attending Members to be reciprocally recognized and identified, be in permanent communication, and be able to intervene and cast their vote in real time. Sessions of the Board of Directors to which Members attend by means of long-distance communications methods shall be considered unique and shall be celebrated in the location where the Chairman of the body, or whoever is replacing him, is. The aforementioned long distance attendance of specific Members must be referred to in the minutes of the meeting and agreement certifications.

B) Votes:

The agreements made by the Board of Directors must be adopted by the absolute majority of the Members present or represented at the session. However, the permanent delegation of any powers by the Board of Directors to the Executive Committee or the CEO, and the appointment of Board Members to occupy these positions, shall require a favourable vote by two-thirds of the members of the Board in order to be valid.

C) Deliberations:

The Chairman of the Board of Directors shall oversee the deliberations, award the floor to requesting Members, and submit the matter to vote once he/she considers the matters to have been sufficiently debated.

D) Documentation and language:

1. Only the Spanish versions of the meeting calls, agendas, minutes, and certifications shall be officially valid. Versions of the aforementioned documents in English provided by the Company upon the specific Member request are not officially valid.
2. The deliberations and resolutions of the Board shall be recorded in a minutes book and each minute will be signed by the Chairman and Secretary, or those acting as such.

E) Information:

Board Members shall receive the information relevant for the exercise of their duties with sufficient time prior to sessions and in a format suitable for the deliberation of the points on the agenda.

F) Remunerations:

1. The office of Board Member shall be remunerated.

2. Board members will earn a fixed annual fee apportionable by days in the event that their functions are not performed throughout the year. The fixed remuneration will be payable monthly in arrears.
3. This will be complemented by the payment of allowances, which will only be perceived by those attending each session in person or by teleconference.
4. The allowance paid to the Board Chairman, when acting in this capacity, shall be twice that of other Board Members.
5. Board Members who are Chairmen or ordinary members of the Board Committees shall also be entitled to the allowances indicated, which will be the same amount they are allotted for being on the Board, and under the same conditions.
6. The amount of the previously mentioned remunerations will be determined by the Board of Directors, always within the yearly amount set out, and in compliance with the other criteria included in the remuneration policy, which will be approved by the General Shareholders Assembly at least every three years as a separate item of the agenda. The yearly remuneration of the Board Members 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.
7. When a member of the Board of Directors is appointed CEO or conferred executive duties 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 board member 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 Chief Executive Officers, 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.
8. The contract will provide details on all the concepts for which payment may be due in the performance of the executive functions, including, when appropriate, the potential compensation for the early termination of these functions and the amounts to be paid by the Company in respect to insurance premiums or contributions to savings plans. The Director is not entitled to any payment for performing executive functions whose amounts or concepts are not laid out in this contract. The contract must adhere to the remunerations policy approved by the General Meeting.
9. In the event that the General Shareholders Assembly authorizes that a group of employees, or all the employees of the Company, be paid by awarding them shares or stock options in the Company, Board Members may also take part in these remuneration systems.
10. The remuneration of the Secretary shall be determined by the Board of Directors, and attendance allowances can be part of said remunerations for an identical or analogous amount as that of Board Members.

G) Duty to abstain:

1. Board Members must abstain from voting or participating in deliberations involving issues in which they hold a personal interest, or which affect a family member or a company in which they hold an executive position or in which they are significant shareholders.
2. Board Members affected by appointment, re-election, or dismissal proposals must abstain from participating in the deliberations and votes regarding their position, leaving the meeting while such procedures take place.

H) Attendance of other people:

1. People, whose presence at Board Meetings and meetings of the Executive Committee is considered to be convenient by the Chairman, may attend said meetings.
2. The CEO may be accompanied to meetings of the aforementioned bodies by members of company management he/she deems to be necessary

I) Annual performance evaluation:

1. The Board of Directors must carry out an annual evaluation of its functioning and that of its Members and, based on the results of said evaluation, must propose a plan of action to correct any detected deficiencies.
2. The results of the evaluation shall be consigned in the meeting minutes or shall be incorporated to said minutes as an annex.

J) Counselling:

Members of the Board may request external advisement through the Chairman of the Board when they consider it necessary for the proper execution of their duties.

II. Board Committees.**A) Convening of Meetings:**

The Committees shall gather once they have been convened by the

Chairman, who shall determine the agenda. Convening of meetings shall also be mandatory when so requested by the majority of the body.

B) Quorum:

The Board will be deemed validly convened when at least half plus one of its members are in attendance.

C) Appointments, Remunerations, and Corporate Governance and Audit committees Secretary:

The position of Secretary of the Committees shall be held by whomever is deemed adequate by the Board of Directors in accordance to a proposal by its Chairman, with the exception of the Executive Committee, where the Secretary of the Board shall also be its Secretary. The minutes recording the contents of the meeting are to be prepared by the Secretary and then submitted to the Chairman for approval. The minutes are to be recorded in the book of minutes and a copy sent to each Committee Member.

D) Other Provisions:

1. The renewal, re-election, and dismissal of members of Board Committees are governed by the regulations established by the Board of Directors.
2. Any person deemed necessary by the Chairman of the Committee may attend its meetings even though they may not hold the position of Board Member.

If these people were to be managers or employees of the company, or companies of the group, the attendance request shall be processed through the CEO.

3. For cases not provided for in the present, the provisions regarding the functioning of the Board of Directors shall be applicable to the Committees in whatever manner allowable.

Chapter III. Board relations with other bodies and entities

Article 13. Relationship with shareholders.

1. The Board of Directors is responsible for establishing adequate mechanisms for shareholders to submit proposals regarding the management of the Company, regardless of how many shares they may hold, as long as these interests are compatible with the corporate interest.
2. The Board of Directors shall encourage the informed participation of shareholders at General Shareholders Assemblies.

3. The Board of Directors will adopt as many measures as necessary in order to facilitate the General Shareholders Assembly to effectively perform any duties it is responsible for, in accordance with the Law and the Articles of Association.

Specifically:

- a) It will provide shareholders with all legally required information prior to the General Shareholders Assembly.
 - b) It shall address with the utmost diligence the requests for information received from shareholders prior to the General Shareholders Assembly, in accordance with the Law.
 - c) It shall address with the same diligence all enquiries from shareholders when the General Shareholders Assembly is held.
4. The Shareholders Office shall send all the questions formulated to it directly to the Board. A section on the Company website is available for making enquiries and requests for items to be added to the agenda of the next General Shareholders Assembly.

Article 14. Relationship with Auditors.

The Board's relationship with Auditors, both internal and external, shall be conducted through the Audit Committee.

Article 15. Relationship with Senior Management.

The Board of Directors shall maintain a direct relationship with members of the Company's Senior Management.

TITLE II

BOARD OF DIRECTORS CHARTER

Chapter I - Appointment and dismissal of Board Members

Article 16. Eligibility requirements.

Proposals for the appointment or re-election of Members must only be submitted for persons of recognised solvency, competence, and professional experience. Those who will have reached 72 years of age at the time of appointment, re-election, or ratification may not be appointed or re-elected as Members of the Board.

Article 17. Appointment of Board Members.

1. Members of the Board of Directors shall be appointed by the General Shareholders Assembly or, in the case of an early vacancy, by the Board itself through co-optation.
2. Co-optation shall be governed by what is established in the Law, and specifically:
 - a) The Member designated by the Board does not have to be a Company shareholder.
 - b) If a vacancy should be produced once the General Shareholders Assembly has been convened, the Board of Directors may designate a Member up until the time when the following General Assembly is celebrated.
3. The appointment or re-election of members of the Board of Directors shall be done in accordance to what is established in these Regulations, regulating the competencies of the Appointments, Remunerations, and Corporate Governance Committee.
4. What is established in this article shall be equally applicable to the natural persons designated as representatives of legal entity Board Members. The proposal of a natural person representative must be submitted to the report of the Appointments, Remunerations, and Corporate Governance Committee.

Article 18. Duration of the position.

1. Board Members shall carry out their duties for a period of four years. Board Members may be re-elected to the position once or several times.
2. Board Members who are appointed by co-optation are to perform their duties until the date when the next General Shareholders Assembly is held.
3. The Board of Directors cannot propose the dismissal of External Board Members until the end of the statutory period for which they were appointed, except in the event of a prior report from the Appointments and Remunerations Committee stating that there is justifiable cause for dismissal.
4. Independent Board Members cannot hold a position as such for a continuous period of over twelve years.

Article 19. Dismissal of Board Members.

1. Board Members shall terminate their duties at the end of the period for which they were appointed, and whenever so decided by the General Shareholders Assembly.
2. Board Members must submit their resignation to the Board of Directors and, if necessary, formalize their dismissal should the Board consider it convenient, in the event of fulfilling any of the established conditions of incompatibility or legal prohibition which prevent them from performing their duties with due diligence.

3. Proprietary Board Members must tender their resignations when the shareholder they represent sells his or her entire shareholding interest. When the participation of a shareholder is reduced to the point that it no longer allows said shareholder to designate, in accordance with the rules of proportional representation established in the applicable legislation, as many Members that at that time should represent the shareholder, he/she shall consult the Board of Directors through its Chairman the eventual need for reducing its number of members until such time that they would correspondingly appoint new members in accordance with said rule.
4. No proposals can be made for the dismissal of Independent Board Members prior to the expiration of the statutory period for which they were appointed, except in the event of justifiable cause as judged by the Board at the proposal of the Appointments, Remunerations, and Corporate Governance Committee, or when, as a consequence of a Public Takeover Bid, it becomes necessary to modify the structure of the Board in order to maintain the criteria of proportionality.
5. When a Board Member terminates his or her duties before the end of their term of office, they must notify their reasons in writing to all Board Members.
6. The Board of Directors may suspend Members who have been legally processed from their duties, or those who the opening of legal processes has been filed against with regard to any economically-related crimes. As soon as the Member is made aware of these facts, he must immediately inform the Board of Directors thereof.

Chapter II. Duties of Board Members in the performance of their roles

Article 20. General obligations.

1. Above and beyond the duties established by Law, the role of Board Members is to ensure that all components of the Company, its capital and workforce achieve their maximum performance with respect to fulfilling the Company's corporate purposes and abiding by ethical business principles.
2. In the performance of their duties, Board Members must work with the diligence required of a professional businessperson and loyal representative. To this end, they are required to:
 - a) Remain informed and adequately prepare for Board meetings and the delegated committees to which they belong.
 - b) Attend the meetings of the committees of which they are a part, and actively participate in the deliberations in such a way that their contribution facilitates an effective decision-making process. Notify the Board in the event that they cannot, with due cause, attend the sessions which have been scheduled, and delegate their representation to the Board, if applicable.
 - c) Carry out any specific tasks assigned to them by the Board of Directors that can reasonably be assumed to form part of their duties.

- d) Request that a Board meeting be scheduled whenever it is deemed necessary, or request the inclusion of items on the agenda to discuss issues that they consider important, in accordance with the Law and the Articles of Association.
- e) Oppose agreements that do not comply with the Law, the Articles of Association, or the Company's best interests and request that such opposition be recorded in the minutes of the meeting, whenever it is deemed appropriate in order to protect the Company's interests.

Article 21. Confidentiality.

1. Board Members must maintain the confidentiality of discussions held by the Board of Directors and its Committees. In general, they must abstain from revealing information to which they have been privy in the performance of their duties.
2. The obligation of confidentiality remains in force even after the Board Member's duties have terminated.

Article 22. Information obtained from the Company.

Board Members must comply with the rules of conduct established in the Stock Market legislation and, especially, with the Internal Code of Conduct of Acerinox, S.A. in Stock Markets.

Article 23. Non-competition.

Board Members may not carry out activities on their own account or on behalf of others that could entail the effective competition with the Company, unless expressly authorized to do so by the Board of Directors.

Article 24. Conflicts of interest.

Board Members must abstain from voting or participating in deliberations involving issues in which they hold a personal interest, or which affect a family member or a company in which they hold an executive position or in which they are significant shareholders.

Article 25. Loyalty.

The duty of loyalty requires Board Members to:

1. Not exercise their duties for purposes other than those for which they have been conceived.
2. Keep secret all information, data, reports, or background information to which they have had access carrying out the duties of their position, even when they have been terminated from their position, except for cases where the Law allows it or requires it.

3. Abstain from participating in the deliberation and vote of agreements or decisions in which they or a related person has a direct or indirect conflict of interest. Excluded from the aforementioned obligation to abstain are the agreements or decisions that affect the Member's condition thereof, such as his/her appointment or revocation for positions on the Board of Directors, or other analogous positions.
4. Carry out their duties under the principle of personal responsibility with freedom of criteria or judgement, and independence regarding instructions and relationships with third parties.
5. Adopt the measures necessary for avoiding incurring in situations in which their interests, either their own or on behalf of others, may enter into conflict with the corporate interests and with their duties to the Company.

Article 26. Responsibility.

1. Board Members shall answer to the Company, shareholders, and corporate creditors for the damages they may have caused by acts or omissions contrary to the Law, the Articles of Association, or for those acts or omissions done by not complying with duties inherent to their position, provided malice or guilt were involved.
2. In the scope of strategic and business decisions subject to entrepreneurial discretion, the highest standards of an organized business person shall be understood to be fulfilled when the Member has acted in good faith, without personal interests in the matter of the decision, with sufficient information, and in accordance with an adequate decision making process.
3. In no case whatsoever shall the fact that the wrongful act or agreement was adopted, authorized, or ratified by the Board of Directors exonerate the Member from any and all responsibility.
4. The natural person designated to carry out the duties inherent to the position of corporate administrator must fulfil the legal requirements established for Board Members and shall be subject to the same duties and be jointly responsible with corporate administrator.

Article 27. Duty to know the mandatory compliance norms.

Board Members must know the mandatory compliance norms -internal and external- and, to that purpose, may provide the Company with precise help and advice.

Chapter III. Rights and duties of Board Members

Article 28. Right to information of Board Members.

1. Board Members have been granted the broadest powers possible to access information regarding any aspect of the Company necessary for the adequate

exercise of his/her duties. The right to information is extended to affiliated companies, both nationally and overseas.

2. In order to avoid disruptions to the everyday management of the Company, the right to information must be exercised by first addressing the Chairman of the Board, who then responds to the Board's requests and provides the necessary information directly to the Board. The Chairman is also responsible for arranging for the Board to have contact with any necessary persons from the organization and putting the necessary measures in place for any required examinations and inspections to be performed in-situ.

TITLE III

INTERPRETATION, MODIFICATION, AND PUBLISHING OF THESE REGULATIONS.

Article 29. Interpretation.

1. These Regulations complement those currently in force under Commercial Law and the Company's Articles of Association with respect to the Board of Directors.
2. These regulations are to be interpreted in line with the general criteria of interpretation with respect to legal regulations, fundamentally in keeping with their spirit and purpose. Their contents may be clarified by the Board itself.

Article 30. Modification.

1. Modifications to the present Regulations may be made by agreement of the Board of Directors in compliance with the requirements set out in this article.
2. The Chairman of the Board, or at least four other Board Members, can propose such modifications to the Board in the event that they consider them necessary under the current circumstances.
3. In such cases, the proposed modification is to be sent with the notification convening the meeting of the Board of Directors. The convening of the meeting shall be made by means of the individual notification of each Member of the Board, and with sufficient prior time to the meeting for its deliberation and, as the case may be, the adoption of the agreement.
4. In order for a modification to the Regulations to be validated, they require the agreement of at least two thirds of the Board Members present at the meeting.

Article 31. Publishing.

1. These Regulations shall be communicated to the National Commission of the Stock Market.
2. Once said communication has been made, these Regulations shall be registered in the Trade Registry in accordance to the general rules, and once

registered, they shall be published by the Spanish Securities Commission (CNMV), and also published on the Company website, www.acerinox.com