



**APPOINTMENTS, REMUNERATION
AND CORPORATE GOVERNANCE
COMMITTEE ACTIVITY REPORT
2022**

Madrid, 12 April 2023



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1. INTRODUCTION

Pursuant to the provisions of Articles 6.2, 8.2, 10.3 and 11.1 of Annex III of the Board of Directors Regulations of Acerinox, S.A. (“**Acerinox**” or the “**Company**”), the Appointments, Remuneration and Corporate Governance Committee of the Company has the following functions, among others:

- Periodically review the remuneration policy for directors and executives, including share-based remuneration systems and their application, and ensure that it is aligned with that of other companies with similar characteristics.
- Every year, verify compliance with the diversity policy of the Board of Directors and the selection of Directors and report thereon in the Annual Corporate Governance Report.
- Periodically evaluate and review the corporate governance system of the Company and the application of the different corporate policies in order to ensure that it complies with its mission of promoting the corporate interest and that it considers, as applicable, the legitimate interests of the remaining stakeholders and the supervision of the internal codes of conduct.
- To submit to the Board of Directors the policy on remuneration, and in general to ensure compliance with the other remuneration policy established by the Company.

In accordance with the foregoing, and on the basis of the information received and the monitoring carried out by this Committee during the 2022 financial year, the Company’s Appointments, Remuneration and Corporate Governance Committee issues this report at its meeting of 21 February 2023.

This report on the activities of the Appointments, Remuneration and Corporate Governance Committee is prepared in accordance with the instructions set out in Recommendation 6 of the Good Governance Code for Listed Companies.

2. COMPOSITION AND QUALIFICATIONS OF ITS MEMBERS

The Appointments, Remuneration and Corporate Governance Committee as at 31 December 2022 consisted of the following members: Ms. Laura G. Molero, Mr. Santos Martínez-Conde Gutiérrez-Barquín and Mr. Francisco Javier García Sanz.

In June 2022, the Chairman of the Company, Mr. Rafael Miranda Robredo, resigned from this Committee as he had reached the statutory age limit for holding a position as a Director. His vacant position has not been filled as of the closing date of this report.



Chair/Independent Director

Ms. Laura González Molero

Independent Director

Mr. Francisco J. García Sanz

Proprietary Director

Mr. Santos Martínez-Conde

The Secretary of the Committee is the Secretary of the Board of Directors and Secretary General of the Company.



LAURA G. MOLERO
Chairman

Independent External Director

Ms. Laura González Molero, a Spanish national, has been an Independent Director since 2017 and member of the Audit Committee of Acerinox since 2017 and Chair of the Appointments, Remuneration and Corporate Governance Committee since 2018.

She holds a Bachelor's degree in Pharmacy, specialising in Industrial applications from the Complutense University of Madrid, and an Executive MBA by IE Business School. Ms. González Molero is currently president of the Association for the Progress of Management (APD) and developed her career in international pharmaceutical chemical companies, having been CEO and Chairman of Merck Spain and Bayer Latin America and Independent Director at Calidad Pascual, Bankia and Adecco Foundation (NGO). She is currently an Independent Director of Viscofan, S.A. and Banco de Sabadell, S.A.



SANTOS MARTÍNEZ-CONDE GUTIÉRREZ-BARQUÍN
Member

External Proprietary Director,
on behalf of Corporación
Financiera Alba

Mr. Santos Martínez-Conde Gutiérrez-Barquín, a Spanish national, has been a member of the Board of Directors since 2002, as well as a member of the Executive Committee and of the Appointments, Remuneration, and Corporate Governance Committee.

Degree in Civil Engineering with a Master's Degree in Business Management from ICADE and a Diploma in Nuclear Technology from ICAI.

He is currently a Director of Corporación Financiera Alba, S.A. and CIE Automotive, S.A. He has been Chief Executive Officer of Corporación Financiera Alba, S.A. and a member of the Board of Directors of Banca March, S.A. and Banco Inversis, S.A. and of listed companies such as ACS, S.A., Unión Fenosa, S.A. BME, Sociedad Holding de Bolsas y Mercados Españoles, S.A., Indra Siemens, S.A. and CIE Automotive S.A., as well as numerous unlisted companies in various industries.

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.



FRANCISCO JAVIER GARCÍA SANZ
Member

Independent External Director

Mr. Francisco Javier García Sanz, a Spanish national, has been an Independent Director since 2020 and member of the Executive Committee and the Appointments, Remuneration and Corporate Governance Committee.

He holds a degree in Business Administration and an honorary doctorate from the University of Stuttgart (2008) and was awarded the Grand Cross of the Order of Civil Merit.

He is currently non-executive Chairman of Tubacex, S.A. and Fersa Group, sits on the Boards of Directors of Hochtief AG and Indra Sistemas, S.A. and has been a member of the Board of Directors of Criteria Caixa. García Sanz was formerly Executive Director of Global Procurement at General Motors Corporation in Detroit (USA). Subsequently, he joined the Volkswagen Group, where he held the responsibilities of Vice-President and Executive Vice-President of SEAT, S.A., becoming a Director in 1997 and Chairman of the Board in 2007. He was also Chairman of ANFAC (Spanish Association of Car and Truck Manufacturers). In 2009 he was appointed President of the Wolfsburg football team, a position he held until 2018.

All the members of the Committee have the necessary knowledge, skills, experience and dedication to perform their duties.

Detailed information on the members of the Committee and their professional careers is available to shareholders, investors and others interested in Acerinox on the Company's website.

3. MEETINGS HELD DURING THE YEAR, NUMBER OF ATTENDEES AND OTHER PERSONS WHO WERE PRESENT

The Board of Directors of Acerinox S.A. has considered that, despite it being a listed company and being included in the IBEX 35 index, there are insufficient reasons to separate the functions between an appointments committee and a remuneration committee, as it states in its Annual Corporate Governance Report. The Committee met on eleven occasions in 2022:

<i>Date</i>	<i>Location</i>	<i>Attendance</i>
20 January 2022	In-person/Telematic	All (4)
21 February 2022	In-person/Telematic	All (4)
23 March 2022	In-person/Telematic	All (4)
25 April 2022	In-person/Telematic	All (4)
9 May 2022	In-person	Three (3)
16 June 2022	In-person/Telematic	All (3)
29 June 2022	In-person/Telematic	All (3)
26 July 2022	In-person/Telematic	All (3)
26 September 2022	In-person/Telematic	All (3)
25 October 2022	In-person	Two (2)
21 November 2022	In-person	All (3)

In addition to its members and the Secretary, the following persons have appeared at its meetings, always at the invitation of the Chairman of the Committee and limited to those items on the agenda in relation to which they have been summoned. Their attendance is recorded in the minutes:

- Executive Director, Mr. Bernardo Velázquez Herreros
- Director of Risks, Mr. Juan García de la Fuente

- Secretary General, Mr. Luis Gimeno Valledor (present in his capacity as Secretary of the Committee).

Exceptionally, external advisors have appeared before the Committee to deal with particularly complex matters within their competence. In particular, two partners from KPMG, one to report on the adequacy of the new Remuneration Policy and the other in relation to the analysis of Senior Management contracts.

4. FUNCTIONS AND TASKS PERFORMED IN 2022

The following groups of tasks that have occupied the agenda during 2022 should be highlighted:

a. In matters of appointments

- i) Report on the appointment by co-optation of the Proprietary Director Mr. Carlos Ortega Arias-Paz, which took place at the Board of Directors meeting held on 9 May 2022, to cover the vacancy caused by the resignation of the Proprietary Director Mr. Pablo Gómez Garzón.
- ii) Report on the re-election and ratification and appointment of the following members of the Board of Directors for a term of four years:

Report on re-election

- Mr. Bernardo Velázquez Herreros, Executive Director
- Mr. Santos Martínez-Conde Gutiérrez-Barquín, Proprietary Director

Report on ratification and appointment

- Mr. Carlos Ortega Arias-Paz Proprietary Director, who was elected by co-optation on 9 May 2022.

The above Directors obtained the following votes in favour at the General Shareholders' Meeting:

- Mr. Bernardo Velázquez Herreros was re-elected with the favourable votes of 92.55% of the capital present or represented at the Meeting.
- Mr. Santos Martínez-Conde Gutiérrez-Barquín was re-elected with the favourable votes of 91.57% of the capital present or represented at the Meeting.
- Mr. Carlos Ortega Arias-Paz was ratified and appointed with the favourable votes of 91.99% of the capital present or represented at the Meeting.

At the end of 2022, 36.4% of the Board of Directors were women.

Given that the previous Chairman, Mr. Rafael Miranda, was reaching the end of his term of office as Director and that, by statutory provision, he could not be re-elected as he had already reached the age of 72, the Committee opened a search procedure for a suitable candidate.

Finally, the election by the Board of Directors went to Mr. Carlos Ortega Arias-Paz, who was elected Director by co-optation at the Board of Directors' meeting of 9 May 2022. Subsequently, the Board of Directors held on 16 June 2022 after the General Shareholders' Meeting unanimously decided, on the proposal of the Appointments, Remuneration and Corporate Governance Committee, to elect Mr. Carlos Ortega as Chairman.

At the Board of Directors' meeting of 9 May 2022 it was resolved, following a report from the NRC and CG, to create the position of Coordinating Independent Director. The Committee discussed the powers of this body and finally proposed the regulation of its functions and the nominee, a role which fell to Mr. Donald Johnston, then Chairman of the Audit Committee.

In 2022, the new Remuneration Policy for Directors was also approved. This new policy slightly updates the amount of remuneration to be received by them, which had been frozen since 2011 and threatened to discourage membership of the Company's governing bodies.

The term of office of the CEO, Mr. Velázquez Herreros, also expired in 2022. The Committee proposed the renewal as Director and his appointment as Chief Executive Officer, and the terms of his contract, both of which were approved first by the General Shareholders' Meeting and then by the Board of Directors on 16 June 2022, following the General Meeting.

The other relevant changes to the Board and its Committees were:

- Resignation of the Proprietary Director Mr. Pablo Gómez Garzón, who tendered his resignation at the meeting of the Board of Directors held on 9 May 2022.
- Replacement of Mr. Gómez Garzón by Mr. Hevia Armengol in the Audit Committee and in the Sustainability Committee following the resignation of the former.
- Replacement of Mr. Hevia Armengol by Mr. Ortega Arias-Paz on the Executive Committee. The Articles of Association of Acerinox stipulate that the Chairman of the Board shall also be the Chairman of the

Executive Committee. The substitution is due to avoid over-representation of Corporación Financiera Alba, S.A. on this Committee.

- End of Mr. Johnston's term of office as Chairman of the Audit Committee. By legal imperative, Mr. Johnston stepped down from the presidency after a 4-year term of office. Mr Johnston remains as a member of the Commission.
- Appointment of Ms. Iglesias Herraiz as Chair of the Audit Committee. Ms. Iglesias, an independent director, has a proven track record in finance, accounting and auditing, and therefore meets the necessary requirements to hold this position.

The Appointments, Remuneration and Corporate Governance Committee draws attention to the fact that three of the four Board Committees are chaired by women.

b. In terms of remuneration

i) Remuneration of Senior Management

The Committee, which has already proposed to the Board of Directors in previous years the parameters to be used for the recognition of bonuses to executive directors and senior management, has continued to do so.

The same has occurred with regard to the evaluation of the fulfilment of objectives and the variable bonus. In 2021 the first of the three-year cycles of the First Long-Term Incentive Plan for Senior Management was completed, and the relevant calculations were made and the incentive – Acerinox shares – was paid to the managers during 2022. Details of the payment made in favour of the sole Executive Director can be found in the Annual Report on the Remuneration of the Board of Directors, which is available at www.acerinox.com

ii) Remuneration of Senior Management

The Board of Directors submitted a new Remuneration Policy to the General Shareholders' Meeting, significantly updating the compensation of the Chairman of the Board, the Chairmen of the Committees and the members who do not hold any chairmanship. This Remuneration Policy was approved by the General Shareholders' Meeting with the favourable votes of 82.75% of the capital present or represented.

c. Assessment of the Board of Directors

The Good Governance Code recommends that at least once every three years the evaluation of the Board and its Committees should be carried out by an independent expert. In 2022, as delegated by the Chairman, the

Committee carried out the assessment through the internal services of the Company.

For the 2022 evaluation, and given that the Board of Directors decided to outsource only one evaluation out of three, the Committee decided that the Company's internal services would take on this task, while maintaining the methodology used in previous years to facilitate the monitoring of the results and the evolution of the process year after year.

The bodies evaluated were the Board of Directors, its Committees (this time including the Sustainability Committee), the Chairman of the Board, the Chief Executive Officer and the Secretary of the Board.

By the date of approval of this Report, the Committee will have completed the evaluation of the year 2022 and the evaluation report and conclusions will have been presented to the Committee first and then to the Board of Directors.

d. Other areas of attention

- Reputational Risks: The Risk Director of the Group was asked to appear in person, not only to highlight any possible changes to the risk map that will affect risks of that nature, but also to form a critical view of the methodology followed and the efficiency of the systems in place to protect the Group in this sensitive year.
- Succession plan for key persons at Board level: The Committee updated the existing plans in relation to the succession of those persons who report regularly to the Board of Directors and its Committees or perform key functions in the organisation.
- The Competence List was also adjusted, an exercise necessitated by the changes described above in the Board.
- The Committee reviewed the mandatory documents, as well as the report that the Chairman of the Board presented to the General Shareholders' Meeting explaining the initiatives and improvements in Corporate Governance during 2022.
- The extension of the clawback clause to cover all variable remuneration (annual bonus + LTIP) of the contracts of Senior Management and the CEO was resolved.

5. FORECASTS FOR 2023

The Commission has adopted a Work Plan for 2023, which foresees nine meetings for 2023, with the possibility of increasing this number if necessary. The agenda for these meetings has been set on a tentative basis.

6. REGULATION

The Appointments, Remuneration and Corporate Governance Committee of Acerinox is regulated in Article 12. II and Annex III of the Board of Directors Regulations, which incorporates the basic aspects regarding the composition, functions and operation of the Committee included in the CBG Recommendations and in the CNMV's Technical Guide 1/2019. The current version of the aforementioned document is available on the Company's website (www.acerinox.com), in the "Regulations" section of the "Corporate Governance Information" section.

7. CONCLUSIONS

Based on the above, the Company's Appointments, Remuneration and Corporate Governance Committee has assessed its composition and functioning during the 2022 financial year, considering that:

- The composition of the Committee has been adjusted to the legal provisions and the recommendations of the Good Governance Code for Listed Companies, with members having the relevant knowledge in relation to the competences of the Committee and the industry of activity to which Acerinox belongs, with the majority of its members being Independent Directors.
- The Committee has met more frequently than established in Article 17.1 of Annex III of the Board of Directors Regulations and whenever it has been necessary in view of the issues to be dealt with at the meeting.
- The members of the Committee have had at their disposal, prior to the meetings, the necessary information in relation to the different items on the agenda in order to be able to deliberate and take informed decisions.
- Finally, the Committee deliberated and adopted agreements on matters within its competence.

In accordance with the foregoing, it can be concluded that the Appointments, Remuneration and Corporate Governance Committee has complied with the standards set forth in the Law and in its internal regulations in terms of composition, frequency of meetings, attendance and informed participation of its members, having also dealt with the matters within its competence during the 2022 financial year.



Laura González Molero
Chairman
Appointments, Remuneration and Corporate Governance Committee

Translation of the original in Spanish. In case of any discrepancy, the Spanish version prevails.